

# IMPLEMENTATION OF THE IRAN NUCLEAR DEAL

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JOINT HEARING  
BEFORE THE  
SUBCOMMITTEE ON  
THE MIDDLE EAST AND NORTH AFRICA  
AND THE  
SUBCOMMITTEE ON TERRORISM,  
NONPROLIFERATION, AND TRADE  
OF THE  
COMMITTEE ON FOREIGN AFFAIRS  
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## IMPLEMENTATION OF THE IRAN NUCLEAR DEAL

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TUESDAY, JANUARY 28, 2014

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON THE MIDDLE EAST AND NORTH AFRICA AND  
SUBCOMMITTEE ON TERRORISM, NONPROLIFERATION, AND TRADE,  
COMMITTEE ON FOREIGN AFFAIRS,  
*Washington, DC.*

The subcommittees met, pursuant to notice, at 2 p.m., in room 2172, Rayburn House Office Building, Hon. Ileana Ros-Lehtinen (chairman of the Subcommittee on Middle East and North Africa) presiding.

Ms. ROS-LEHTINEN. Thank you so much. So the joint subcommittee will come to order. After recognizing myself, Ranking Member Deutch, and, of course, we will hear from our Foreign Affairs full committee chairman Mr. Royce, we will hear from Chairman Poe and Ranking Member Sherman, for 5 minutes each for our opening statements, and then due to time limitations, we will go directly to our witnesses' testimony. And without objection, the witnesses' prepared statements will be made a part of the record. And members may have 5 days to insert statements and questions for the record subject to the length limitation in the rules.

The Chair now recognizes herself for 5 minutes.

On November 24, 2013, Secretary Kerry announced that an interim negotiated settlement had been reached between the P5+1 and Iran on its nuclear program. The announcement contained the broad strokes, but was short on the details.

The picture that was painted was that Iran would agree to modest limits on its enrichment capabilities, increased International Atomic Energy Agency monitoring, the cessation of manufacturing centrifuges, and it would not fuel the Arak heavy-water reactor. In exchange, Iran would receive an easing of sanctions on its oil sales and the suspension of certain sanctions on the import of precious metals and exports from Iran's auto and petrochemical sectors.

No doubt President Obama will count this deal as the ultimate achievement for diplomacy and peace while excoriating those of us who had the temerity to say, hey, wait a minute, I don't trust the Iranian regime. Let's have a backup plan to increase sanctions on Iran if it is found to be acting unfaithfully, which, as history has shown, is not out of the realm of possibility.

But though the announcement was made in November, it wasn't until 1 week ago, on January 20th, that the technical details were agreed upon and finally implemented. The most glaring deficiency

with this interim deal is its lopsidedness. Iran got a sweetheart deal, and the rest of the world is not any safer from the Iranian bomb than before.

Our closest ally and friend in the region, the democratic Jewish State of Israel, has been very concerned with what this deal means for its security from the get-go. And other countries in the Gulf region feel slighted by our approach to this issue.

But let's set aside the dangerous precedent that this sets for the rest of the world and the bridges that we have burned with allies to reach this agreement. Remember, this agreement doesn't even live up to the obligations set forth by the U.N. Security Council's resolution on Iran and is far from our policy of disarmament from only 10 years ago, and focus on what Iran is allowed to do.

Iran is allowed to keep its nuclear weapons program infrastructure intact and will still be allowed to enrich. Sure, there are caps to the enrichment, and it will have to convert some of its uranium to oxide, but Iran will maintain the ability, know-how and proficiency that if it decides to break the agreement, it can continue toward breakout capability with only a minor setback in any timetable.

It is a shame that we have seemingly acquiesced to Iran's demand that it has some sort of right to enrich. Iran had long ago abandoned all claims to a right of enrichment when it decided to conduct a covert nuclear program and was in violation of its international obligations under the NPT and other treaties. It therefore must not be allowed to enrich, and I fear that by starting out where the P5+1 did here, Iran will never be pushed off this stance in a final comprehensive agreement.

The interim deal focuses on the nuclear aspect and falls short on Iran's weaponization efforts and its ballistic missile program, which it now has more time to advance. And there is nothing in the interim agreement that allows the International Atomic Energy Agency to access Iran's military sites. And, for me, what is really at the crux of the issue here: Time. From announcement to implementation, 2 months' time has passed. This gave the regime plenty of time to continue to make advancements while the parties hashed out all of the technical details. I don't believe this was done by mistake on their part, as Rouhani is an expert in delay tactics and doubletalk.

In the 2 months after Secretary Kerry's press conference in Geneva, Tehran has announced that it has made advances in its ICBM technology, it has designed a new generation of uranium centrifuges and is ready to manufacture them, and that it would continue construction at its heavy-water reactor in Arak. I envision a scenario in which Iran may comply with this agreement for 6 months, but even if Iran does violate the terms of the agreement, the joint commission that it established in the final document has murky authority at best to conduct oversight, enforce compliance, or impose strict consequences. There is no mechanism that allows for adjudication of violations in this deal, and that is very troublesome.

Bottom line: As long as the infrastructure is in place for Iran to continue its nuclear program, the threat that it can create a nuclear weapon will always be all too real, and that is where the



P5+1 monumentally failed in this interim agreement. And with Rouhani and Zarif stating just last week that Iran would not dismantle any part of its nuclear program under any circumstance, it has me fearing what the administration will accept in a final comprehensive agreement.

I look forward to hearing from our witnesses, their testimonies, and the views of my colleagues. And now I turn to my good friend, the ranking member, Ted Deutch of Florida.

Mr. DEUTCH. Thank you, Madam Chairman, Chairman Poe, for holding today's hearing to examine the implementation of the first phase of the Iran nuclear deal. And thank you to our panel of very distinguished experts for appearing here today. We welcome your expertise and your insight as we determine the efficacy of Iran's actions under the JPOA, and the next steps in reaching a final agreement to achieve our ultimate goal of preventing a nuclear-armed Iran.

Let me be clear from the outset: There is no doubt that resolving the Iranian nuclear crisis through diplomacy has always been the preferred track of the administration and of the Congress. I think we all recognize the significant achievement of the U.S. efforts to bring Iran to the table. But there are many members of both sides of the aisle who feel that it is absolutely appropriate for Congress, the body that built the sanctions architecture that brought Iran to the table, to remind the Iranians that full sanctions relief will come only when a deal acceptable to the P5+1 and our regional allies is reached.

This relief can only come if Congress acts, so I would also suggest that it is appropriate to send Iran a reminder, as well as to remind the companies lining up to visit Tehran a message of what is at stake if Iran violates the terms of the Joint Plan of Action.

A deal is in place, and if we are going to move forward with the final deal, we have to focus on ensuring that Iran fulfills its obligations, while beginning to define the acceptable parameters of a comprehensive solution. We are 8 days into the implementation of the Joint Plan of Action, a 6-month deal to freeze Iran's nuclear activities, resulting in a complete cessation of Iran's 20 percent enrichment and the conversion of its current stockpile, as well as to open up Iran's nuclear program to intrusive inspections. And while these caps on Iran's current program are substantial, we know that they cannot be the terms of a long-term deal. We must ultimately see serious, permanent rollbacks of the program, not just easily reversible freezes.

We know that the Joint Plan of Action sets the course for Iran to maintain a mutually defined enrichment program consistent with practical needs. Iran continues to claim a right to enrich for nuclear power, but we must understand that none of Iran's current enrichment activities are useful for a civilian nuclear program.

Consider: Iran already has a nuclear energy reactor at Bushehr that is running on imported Russian fuel. In fact, the Russian deal requires the use of Russian imported fuel, just as other offers from Western nations to fill Iran's nuclear power needs are contingent on the use of imported fuel from those nations. It would take Iran years to build the technology necessary to turn its low-enriched uranium into fuel for a power reactor. We must remember that

none of Iran's current stockpile of domestically enriched uranium can be used in its nuclear reactor. To that end, the majority of nations with nuclear power don't domestically enrich uranium, and instead import the fuel from other countries.

So what does this all mean? Iranian stockpiles are essentially useless for their domestic energy program. However, 19,000 centrifuges and 7 tons of enriched uranium are highly useful when a nation is trying to build a nuclear weapon.

We can all agree that nuclear science is complicated, but it seems that someone with only a cursory knowledge of nuclear technology understands the dangers posed by Iran's nuclear enrichment activities.

Despite the access granted under the JPOA to the IAEA to inspect centrifuge-manufacturing facilities, can we be sure that we are going to be able to see the manufacturing of all the various parts that make up—again, can we be sure that Iran is not continuing to manufacture more centrifuges at other locations? Moreover, can we verify that Iran has not already commenced a third unknown enrichment site? It should not be lost on us that both Fordow and Natanz were also constructed in secret until being exposed by the international community in 2002 and 2009 respectively. And Iran has long said that it intends to have up to 10 enrichment facilities.

Under the JPOA, Iran may continue its research and development, allowing them to continue work of centrifuge development. Mr. Albright, you note in your testimony that centrifuge R&D could also lead to breakthroughs in materials or methods that would further strengthen a secret breakout effort. How concerned should we be that continued R&D will simply allow Iran to install highly advanced centrifuges in 6 months, or in a year, or in 5 years? These are the kinds of difficult questions that have to be answered if the P5+1 are to reach an acceptable final deal.

But perhaps most critically, before any long-term deal is reached, Iran must come clean about all aspects of its program. This includes finally addressing all outstanding IAEA concerns of the possible military dimensions, the development of nuclear explosive devices, procurement of nuclear-related materials by the IRGC, and military-run activities at the Parchin site.

The Institute for Science and International Security described the Parchin site as a huge site dedicated to the research, development, and production of ammunition, rockets and high explosives. Iran must know at the outset that they will not be able to sweep these allegations under the rug.

I look forward to discussing with our witnesses the path forward to halting what is the greatest threat to international security, a nuclear-armed Iran. And I yield back.

Ms. ROS-LEHTINEN. Thank you very much, Mr. Deutch.

And now we turn to our full committee chairman Mr. Royce for his opening statement.

Mr. ROYCE. Well, thank you very much, Chairman Ros-Lehtinen, and I thank you, and I thank Chairman Ted Poe, and also Mr. Deutch, for that very well-reasoned argument that he just laid out. And, Ileana, I think you laid out a compelling case as well.

I think all of us are a little stunned. I think we are stunned that not only does Iran continue to enrich uranium, but they are very, very vocal about the fact that they are going to continue the research and development on faster and faster spinning of centrifuges. And for them to be making this pronouncement in the middle of this interim agreement on how they are reaching this capability to develop and spin these centrifuges at supersonic speeds, setting new records, implies a certain intent on undetectable nuclear breakout capability.

I think this is what Members worry about. We worry that, you know, as you try to work out an agreement here, and we talk about the plutonium reactor, the heavy-water reactor facility at Arak, they make the point that they are going to continue performing work at that site.

I think the large quantities of existing stockpiles when they make the comment that, no, they are not going to draw down on those stockpiles, all of this sends a message in terms of what their intent is, and, quite simply, these elements of a nuclear program which we are talking about right now will continue to operate as the talks go on. So I think for the Members of the House here on the Foreign Affairs Committee, we are a little concerned that unless Iran is pressed to fully reveal Iran's extensive activities to develop and test a nuclear device, unless we get that out on the table—and, as we hear today, there is a great deal of evidence that Iran has devoted much effort to this over the years. Unless we have the details on that, I think we are left wondering about Iran's clear intentions here.

And I don't think we want them to cover up that extensive evidence either. And part of it is because we watch Iran's actions. Over 400 executions last year of political and of religious opposition in the country. Stoning is still going on in Iran as a penalty. It is a capital offense for things such as adultery. As has been mentioned a number of times, a regime that is stoning women with one hand shouldn't be allowed with the other hand to get its grip on a nuclear weapon.

I mean, this is just logical that we be concerned about this. And if a comprehensive agreement is reached, the threat of a nuclear-armed Iran is not going to be over for a couple of other reasons.

One of today's witnesses has estimated that even if we were to force Iran to dismantle 80 percent of its 19,000 installed centrifuges, and, of course, they say, you know, they won't dismantle one of them, even if we were to force it to close its entire enrichment facility at Fordow, even if we were to dismantle or convert its planned heavy-water reactor to a light-water reactor, agree to a multidecade intrusive inspections regime, the fact is that Iran would still be 6 months away from nuclear breakout. So if we are in a situation right now where they won't give ground on any of these points that I have just raised, I think we have something of a problem on our hands.

So even if the administration were to achieve this agreement, which increasingly, many say, might be a 50/50 proposition, I think that was the administration's assumption, especially now that we have let up on sanctions pressure, Iran will likely still possess the capability of very quickly producing a nuclear weapon. Why do I

say that? Because when you let up on sanctions pressure, you let up on the one thing you had that made it hard for them to get hard currency, that might make the ayatollah make the tough choice between compromising on the nuclear program or economic implosion. So that is gone now. The message is out, you know, Iran is open for business. You see the headlines, you know, the next day in the Wall Street Journal: Businesses rush to Iran to cut business deals. You see their stock market go back up, their currency go back up in value. So we could end up, if we are not careful, ending up on a track to have us face a permanent nuclear threat from Iran because we rehabilitate their capabilities.

And so that is why I thank the chairwoman, I thank Mr. Poe and Mr. Deutch for their observations on this. But I especially thank the panel of witnesses, because our four witnesses today are true experts in this field. We look forward to the testimony.

Ms. ROS-LEHTINEN. Well put. Thank you so much, Mr. Chairman.

We now turn to the ranking member of the TNT Subcommittee, Mr. Sherman.

Mr. SHERMAN. A November agreement was supposed to last 6 months, but not until 2 months after it was signed, 8 months. It can be extended for another 6 months. We are looking at 14 months. What happens during the 14 months? Their 20 percent stockpile, half gets oxidized, but it is still 20 percent. Another half gets diluted and oxidized. More low-enriched uranium is created and stockpiled, albeit in oxidized form. Work on centrifuge technology continues, though certain centrifuges will not be used. This delays only for a short time when Iran would have a nuclear weapon, because the 20 percent oxidized uranium can be converted back to a gas quite quickly. Iran uses that same technology to convert yellowcake into gaseous uranium. And at the end of this agreement, Iran may be a little bit further than they were in November from their first bomb, but will be closer to a cache of 5 to 10 bombs because they will have all of the additional low-enriched uranium that they create during the pendency of the deal.

The sanctions relief has been very substantial because it has changed the business climate. It is not just the content of the relief. There are loopholes in our existing sanctions laws. Companies have been reluctant to exploit those because they figure the next sanctions law was around the corner. Well, now it is not, and so we see a rush to do business with Iran.

The disagreement here in Washington is actually rather modest. There seems to be agreement that we are not adopting new statutory sanctions until July, or at least not letting them become effective until July. The administration significantly has agreed to enforce existing sanctions, and would do that even if the Iranians threatened to walk out of the agreement.

Secretary Kerry was in this room where your witnesses are sitting now. He agreed that he would continue enforcing the existing law. Within a day they designated roughly a dozen entities, the Iranians walked out. They came back. So we agreed to enforce existing laws. We agree no new laws will become effective until July. So the question is under what circumstances will new sanctions be-

coming effective in July go into effect, and who will make that decision, the President alone or the President with Congress?

Who will decide that Iran is just engaged in a delay program, or that we have reached sufficient progress? I don't think Congress should surrender this role, because Congress has been right, and three administrations have been wrong. From 1996 to 2010, Congress didn't enact major sanctions legislation. Why? Because three administrations sought so effectively, usually in the Senate, to prevent the adoption of that legislation. Congress is right. The House was more right than the Senate, and Congress was more right than three different administrations.

Now we are being asked, oh, just don't do anything. Trust the President. He will do the right thing. The fact is that we are told by the administration we can adopt new sanctions in a nanosecond, should we decide that that is important. What he really means is, what the administration means is, we can adopt new sanctions in a nanosecond if the administration agrees with them; but if they don't, their capacity for delay and obfuscation, for dilution and defeat of sanctions has been proven. It was proven effective in 2009. It was proven effective for the 8 years of the prior administration.

What are our choices? We can act now and adopt sanctions that will go into effect in July, but also schedule a vote in July where Congress could decide by joint resolution to suspend or prevent the sanctions from becoming effective, and we would do so if adequate progress is made. We can have a compromise approach, right, and conference on the sanctions, and schedule a vote, affirmative vote, of both Houses of Congress without delay, without filibuster, without obfuscation, without further division between the committees and the Houses as to what the content would be, and pass new legislation, if warranted, in July, and soon enough to prevent any pocket veto since we go out in August.

The final approach is what I call the narcolepsy approach: Go to sleep until the administration decides to wake us up. Then they say, then we will get around to thinking about something in July because we will notice that the 6 months which is 8 months has passed. At that point you can be sure that this administration, like the prior two administrations, will be for delay, dilution and defeat, and we will be in session only a few weeks between the end of July and the end of the year. So Iran will get a full year of relief from sanctions, and actually 14 months.

I think the one thing for this hearing to establish is that we are not going to adopt the narcolepsy approach; that we are going to have sanctions that Iran will know will go into effect in July if adequate progress, determined by Congress, is not reached, and with that, I think our negotiators will be far more effective than if Congress is regarded as on vacation.

I yield back.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Sherman.

And now we go to the chairman of the TNT Subcommittee, Judge Poe from Texas.

Mr. POE. Thank you, Madam Chair.

The world powers surrendered to the Iranian nation's will. Those are the words of Iranian President Rouhani. It should not surprise any of us that the Iranians view this agreement as a win for them,

a loss for us, and a loss for a safer world. Iran's Foreign Minister boasted, we did not agree to dismantle anything, referring to their enrichment activities. He is right. Iran not only gets to keep its infrastructure intact, it gets to keep enriching, or it gets to keep its yellow cake and eat it, too.

The U.N. has voted on five occasions, saying Iran has cheated in its nuclear capability, and they should not be able to enrich at all. In one deal Iran just wiped away all of those U.N. resolutions.

When the United States negotiates a deal that makes the U.N. look tough, we got a problem. Just as bad, none of its changes agreed to are permanent, and verification is difficult. Hours after Iran signed the agreement, their top nuclear negotiator bragged on Iranian TV that they could "return to the previous situation in 1 day."

In reality, estimates suggest the Iranians could still achieve nuclear breakout capability in 6 months. This agreement doesn't force Iran to stop its nuclear program. Rouhani is a snake oil salesman. He sold poison medicine to us, and the State Department gave away the farm and the mineral rights in exchange. This agreement bars Iran from installing nuclear equipment at its heavy-water reactor, Arak, but allows them to continue to construct its nuclear reactor. The problem is that Arak's reactor size and design is too big for a peaceful reactor. Experts say it more closely resembles a nuclear weapons facility. Well, no kidding.

When asked if he thought that Arak could be used for peaceful purposes, former State Department nonproliferation official Robert Einhorn said, "Yes, it could. A 12-inch hunting knife could also be used to spread jam on your toast in the morning."

In this deal Iran will get \$6 billion in cash payments over 6 months. Iran also gets billions more as companies who were sitting on the sidelines out of fear of the sanctions now say it is okay to do business as usual with Iran. This could inject about \$20 billion into Iran's economy according to sanctions expert Mark Dubowitz.

The Iranians know there is no enforcement mechanism once a final agreement is reached because all sanctions will be lifted. Despite what the White House says, it will be nearly impossible to restart punishing sanctions if Iran cheats or lies. You can't turn on sanctions, can't turn them on and off like a light switch.

I talked to Prime Minister Netanyahu right after this deal was signed. He is correct. This is a bad deal for Israel and a bad deal for the United States. The only leverage we had on Iranian hardliners was tough sanctions that brought their economy to its knees. By easing sanctions we have blunted our sharpest tool to get a peaceful solution. We have made peace less likely. This is a flawed appeasement deal that gave away too much to Iran. It is similar to Chamberlain's appeasement to the Nazis in the 1930s, where the allies boasted of peace in our time and got World War II. I think we will see this interim deal extended for another 6 months while Iran continues to enrich and march closer to a nuclear weapon.

Iran has agreed to freeze its nuclear enrichment. They must dismantle their nuclear weapon program, not just freeze it. The Iranian Supreme Leader hasn't changed his goal. He has said he wants to destroy Israel. He wants to destroy the United States. I

think we should believe him when he says he wants to get rid of us. So Congress cannot wait. We should pass tougher sanctions, not let up on sanctions at this time. And that is just the way it is, Madam Speaker.

Ms. ROS-LEHTINEN. Thank you very much, Judge Poe.

And the bells have rung, but I am going to introduce our witnesses, and I think that we will have time to listen to our first witness, Ambassador Wallace, before we break.

First we will welcome Ambassador Mark Wallace, Chief Executive Officer of United Against Nuclear Iran, which he founded in 2008. His organization has been a leader in pressuring businesses to end their dealings with Iran, and has promoted sanctions legislation to prevent a nuclear-armed Iran. Prior to this position, Ambassador Wallace was U.S. Ambassador to the United Nations on U.N. management and reform issues. We welcome you, sir.

Next we will welcome Mr. Gregory Jones, thank you, Senior Researcher at the Nonproliferation Policy Education Center. Mr. Jones has been a defense policy analyst for the past 40 years and brings great expertise in the areas of nonproliferation and counterproliferation, especially regarding terrorist organizations and regimes attempting to acquire nuclear technology. Welcome, sir.

Third, we welcome Mr. Olli Heinonen—I am sorry if I don't say that right—close enough—Senior Fellow at the Harvard Kennedy School of Government. Prior to this position, he served for 27 years at the International Atomic Energy Agency, including as Deputy Director General. He led the Agency's efforts to identify and dismantle nuclear proliferation networks, including overseeing its efforts to monitor and contain Iran's nuclear program. He has led nuclear programs investigations around the world, including to South Africa, Iraq, North Korea, and Syria. Welcome, Olli.

Last but not least we welcome Mr. David Albright, a physicist and founder and president of the Nonprofit Institute for Science and International Security. Mr. Albright has written numerous assessments on secret nuclear weapons programs throughout the world and has coauthored several books on the subject.

Your statements in full will be made a part of the record, and please feel free to summarize them. We will start with you, Mr. Ambassador.

**STATEMENT OF THE HONORABLE MARK D. WALLACE, CHIEF EXECUTIVE OFFICER, UNITED AGAINST NUCLEAR IRAN (FORMER UNITED STATES AMBASSADOR TO THE UNITED NATIONS)**

Ambassador WALLACE. Thank you, Chairman Ros-Lehtinen, and Chairman Poe, Ranking Member Deutch—

Ms. ROS-LEHTINEN. I think you need to—I don't know if the mike is on.

Ambassador WALLACE. There we go. Thank you, Chairman, and Chairman Poe, Ranking Members Sherman and Deutch, and members of the joint subcommittee. Thank you for the opportunity to testify before you once again. I am honored to sit here on the panel with a group of very distinguished and committed colleagues. It is a true honor.

We at UANI sincerely hope that a comprehensive and verifiable agreement that rolls back Iran's nuclear program is reached in 6 months, but the prospects appear small, and we must confront the difficulties with candor and bipartisan debate.

The Joint Plan has provided disproportionate sanctions relief to Iran, and allowed Iran to retain and continue to develop and advance a dangerous nuclear program. Under the agreement, Tehran will not dismantle a single centrifuge or its heavy-water reactor at Arak, IR-40. Today Iran retains the ability to produce enough weapons-grade uranium for a bomb in as little as 2 months, and Iran has not indicated that it would end its development of the IR-40. At the same time the sanction's architecture, developed over decades, has been significantly rolled back, and enforcement has fallen to a trickle. What is the acceptable scope and size of Iran's enrichment program, and will we permit Iran to operate the IR-40?

If Iran truly only sought a peaceful nuclear energy program, there would be no need for any enrichment or a heavy-water reactor. The international community seems to have forgotten there are multiple U.N. Security Council resolutions calling for Iran to suspend all enrichment. Regrettably, the Geneva Joint Plan declares that in any final accord, Iran will be permitted to enrich and is, at best, vague regarding the future of the IR-40.

Today you will hear a range of opinions on what an acceptable Iranian enrichment program would look like and the dangers of Iran's operation of the IR-40. We should all agree that extending Iran's breakout time from its current 30 to 60 days to well beyond is the imperative. But does any serious person believe that Iran is prepared to dismantle between 15,000 and 19,000 centrifuges and forego the installation of far more efficient and advanced centrifuges? Clearly not.

Sanctions have become so important to this matter. Unfortunately, the White House has described the sanctions relief provided in the agreement as economically insignificant. We disagree. Iran's economy is blossoming.

Some hard data. The rial has increased in value by more than 25 percent. The Tehran stock exchange has increased by nearly 100 percent. Dozens of multinational corporations are returning to Iran. Iran's oil exports have increased by nearly 60 percent.

Iran's oil exports have risen to 1.2 million barrels per day from a low of 761,000 barrels per day. Under the Joint Plan, Iran's oil exports will increase further, and if oil sanctions continue unaltered, Iran's oil sales would have continued to drop to as little as 500,000 barrels per day by the end of 2014.

Importantly, the administration has curtailed its enforcement efforts. In 2013, the United States Treasury Department designated 183 entities for Iran's sanctions violations. Since President Rouhani's election, the United States has blacklisted only 29 entities. The Obama administration must hold to its pledge to enforce sanctions.

The White House estimates that Iran stands to receive \$6 billion, to \$7 billion in sanctions relief. The true value of sanctions relief is well more than \$20 billion. Just calculate the increase in oil sales, lest there be any doubt. Now we believe there will be far less



pressure for Iran to actually make material concessions on its nuclear program.

The Congress must actively take part in this process and make its position known. We all must agree that Iran will not be permitted to retain an industrial-scale nuclear program. This would entail capping the number of IR-1 centrifuges to a small fraction of the nearly 20,000 Iran currently possesses or, more appropriately, none at all. Iran must be kept well over a year away from breakout, given its long history of duplicity and hostility. Rouhani strongly supports efforts to impose sanctions on Iran in 6 months' time until a final accord is reached.

The Congress should pass and the President should sign into law the Nuclear Weapons Free Iran Act, which has the support of a bipartisan majority. It is wrong that the White House is characterizing those who support new sanctions or question the Joint Plan as dishonest warmongers.

History offers a disturbing precedent. In the 1990s, we entered into a similar interim nuclear agreement with North Korea. The Agreed Framework became the proverbial can that was kicked down the road. No final agreement was ever struck, and the DPRK surprised the world with a nuclear test. This time Congress must make clear that if there is no final agreement after the Joint Plan's initial 6-month term, that Congress will adopt more robust sanctions. We must learn the lessons of history and not repeat its mistakes.

Thank you, Madam Chairman, for the opportunity.

Ms. ROS-LEHTINEN. Thank you very much, Mr. Ambassador.

[The prepared statement of Ambassador Wallace follows:]

## **Implementation of the Iran Nuclear Deal**

**Testimony before the Joint Middle East and North Africa as  
well as Terrorism, Nonproliferation, and Trade Subcommittees**

**January 28, 2014**

**The Honorable Mark D. Wallace**

## INTRODUCTION

Chairman Ros-Lehtinen and Chairman Poe, members of the Joint Subcommittee, thank you for the opportunity to speak before you today. Today's hearing on Iran is as important as it is timely. With respect to importance, I need hardly tell you about the dangers posed by Iran's relentless pursuit of nuclear weapons. Iran's quest for nuclear weapons capability is the greatest single security threat facing the United States today.

At United Against Nuclear Iran (UANI), we are deeply concerned about whether the Geneva Joint Plan of Action (the "Joint Plan" or "Interim Agreement") will advance U.S. national security and foreign policy goals. While we sincerely hope that a comprehensive and verifiable agreement that rolls back Iran's nuclear program is reached in 6 months, the prospects appear dim at best.

The Joint Plan has provided disproportionate sanctions relief to Iran, and given that Tehran will not dismantle a single centrifuge, Iran has not *rolled back* its nuclear infrastructure. With the thousands of centrifuges that it is currently operating and has installed, Iran will retain, even if it abides by the full terms of the agreement, the ability to breakout and produce enough weapons-grade uranium for a nuclear weapon in as little as *2 months*. At the same time, the carefully constructed sanctions architecture developed over *decades* has been *significantly rolled back*.

The question today for all of us – members of this committee and all of the Congress – is what would be an acceptable scope and size of Iran's enrichment program and whether we will permit Iran to operate the heavy water reactor at Arak. Iran claims that its program is peaceful in nature and that it is solely for civilian nuclear energy and medical purposes. To be clear, if

Iran truly only sought a civilian and peaceful nuclear energy program, there would be zero need for any enrichment capacity or the heavy water reactor. Many countries have peaceful nuclear energy programs without engaging in enrichment nor operating heavy water reactors. The international community seems to have all too quickly forgotten that there are multiple UN Security Council Resolutions calling for Iran to suspend **all** enrichment. Regrettably, the Geneva Joint Plan seems to declare that in any final accord, Iran will be permitted to enrich and is at best vague regarding the future of the IR-40 heavy water reactor at Arak.

Today you will hear a range of opinions on what “an acceptable” Iranian enrichment program would look like and the dangers of Iran’s operation of a heavy water reactor. The range of debate will likely focus on the parameters of a final accord whereby Iran is limited to between 0 and 4000 first-generation IR-1 centrifuges. We should all agree that extending Iran’s ‘breakout time’ from its current 30-60 days to well beyond a year is the imperative. But does any serious person believe that Iran is prepared to dismantle between 15,000 and 19,000 centrifuges, and forego the installation of far more efficient and advanced IR-2 centrifuges? Clearly not.

With respect, each and every member of this committee and the United States Congress should make his or her position known on the acceptable levels of Iran’s enrichment capacity and its operation of the heavy water reactor – the IR-40. The U.S. Congress must become involved in this debate and weigh in on the essential principles that would underpin any final nuclear agreement with Iran. It is quite an appropriate role for Congress to play, given its authority in passing, lifting and potentially increasing sanctions against the Islamic Republic.

**THE DEAL IS DISPROPORTIONATE**

As Foreign Minister Zarif and President Rouhani have become the toast of diplomatic and business circles, it has become increasingly clear that the Joint Plan is disproportionately in Iran's favor. The administration touts that the agreement has halted Iran's nuclear progress, but this is not true. During the duration of the accord, there are a number of ways by which the Iranian regime will continue to develop its nuclear program. For example:

- Iran will continue to perform excavation and civil construction work at the Arak Heavy Water Reactor, which is considered a prime proliferation threat.
- Iran will continue to perform ongoing R&D activities that preceded the agreement. As one component of its ongoing R&D, Iran will continue experimenting with a range of advanced centrifuges that are multiple times faster than their predecessors. This could eventually put Iran's breakout time at a matter of weeks, if not days.
- Iran will continue long-range ballistic missile testing, which is a central component of a modern nuclear weapons program.
- Iran retains its entire stockpile of low-enriched 3.5% uranium, which is enough to build six nuclear bombs if enriched to weapons-grade. While Iran is diluting and converting its 20% enriched uranium stock, it is a dangerous canard to say that this puts Iran much further away from a bomb. Due to the non-linear, exponential nature of the uranium enrichment process, by enriching to the 20% level, Iran has already done 80% of the work necessary to reach weapons-grade uranium.

By any definition, Iran will continue to make substantive progress on its nuclear program.

#### THERE IS NO SUCH THING AS 'SANCTIONS EASING'

So what have we given Iran, in return for these superficial concessions? The White House has described the sanctions relief provided in the agreement as “economically insignificant” and insisted that “Iran's economy will also continue to suffer.” David Cohen, the U.S. Treasury Department official tasked with enforcing the U.S. sanctions program declared, “I am confident that the sanctions pressure on Iran will continue to mount. **Iran will be even deeper in the hole six months from now**, when the deal expires.” We find such pronouncements fully disconnected from the true condition of Iran’s economy, which is blossoming.

Proponents of this agreement do not appear to understand the fragility of sanctions, or the dangers of rolling them back and easing the economic pressure on Iran. The four interdependent elements of a successful Iran sanctions regime are (1) increasingly strict laws and regulations, (2) enforcement action, (3) reputational risk, and; (4) the psychological impact on the Iranian economy. Regrettably, the run-up to and the adoption of the Joint Plan have undermined each of those four elements, and as a result, the architecture of the sanctions regime is crumbling. This is underscored by hard data:

- **First:** A key measure of economic pressure on Iran is the value of its currency, the rial, which is reflected in the black market value exchange rate. Last year, with economic pressure at its peak, Iran suffered from severe hyperinflation, and the rial became the least valued currency in the world. Since Hassan Rouhani was elected president on June 14, the Iranian rial has increased in value by more than 25%, from 36,500 rials/dollar to

29,000 rials/dollar today, which is also up from record-lows of 40,000 rials/dollar in February 2013. Correspondingly, inflation is steadily falling.

- **Second:** Since Rouhani's election, The Tehran Stock Exchange index has increased by nearly 100%, from about 45,000 points to over 80,000 points. Consumer confidence in Iranian commerce and companies has skyrocketed.
- **Third:** Iran's oil exports have increased nearly 60% from October 2013 to January 2014. At the time of the signing of the Geneva agreement on November 24, a senior administration official said, "Iran's oil exports will remain steady at their current level of around 1 million barrels per day." Unfortunately, even before the January 20 implementation of the agreement, Iran's oil exports rose to 1.2 million barrels/day (bpd), from historically low levels of 761,000 bpd in October 2013. It is clear that the Geneva agreement and the run-up to its signing changed the market psychology and reduced risks for oil buyers. Now that the agreement is being implemented, Iran's oil exports are in a position to increase further as tanker insurance provisions are relaxed and shipment costs for the Iranian oil sector are reduced. Moreover, had the oil sanctions continued, Iran's daily oil sales would have continued to plummet and by the end of 2014 Iran's daily oil exports could have fallen to 500,000 bpd or less.
- **Fourth:** As reported by *The New York Times*, "In the first two weeks of the year, Iran welcomed more [trade and diplomatic] delegations from Europe than in all of 2013." Governments are eager to ensure that their national companies are the first ones to get their foot in the door and benefit from the large Iranian market.

- **Fifth:** Dozens of leading multinational corporations are publicly pursuing the renewal or expansion of their business in Iran. With the momentum of sanctions reversed, and a budding expectation that the sanctions regime could soon be lifted in its entirety, companies no longer see the same reputational and financial risk of doing business with a terrorist regime.

You may be surprised to learn that much of these economic gains were achieved well before the signing of the Geneva Agreement on November 24 or its implementation that began this past week. In fact, the momentum of an ever strengthening international sanctions regime was halted following Rouhani's election in June 2013 in an apparent effort by the U.S. to court the regime and to set a tone for renewed negotiations. One clear indication of the administration's efforts to court Rouhani is its less aggressive approach to enforcing sanctions since his election. In 2013 before Rouhani's June 14 election, the U.S. Treasury Department designated 183 entities as having violated Iran sanctions. Since Rouhani's election, the U.S. has only blacklisted a total of 29 entities. When the U.S. Treasury designated 19 Iran sanctions violators on December 12, 2013, Iran falsely claimed that the U.S. had violated the Joint Plan and temporarily walked out of negotiations to implement the interim nuclear agreement. UANI is deeply concerned whether the Obama administration will hold to its pledge to maximally enforce sanctions, or if its enforcement team will continue walking on eggshells in order to avoid offending the Iranian regime, which may use enforcement as a pretext to subvert the accord.



The White House characterizations of sanctions as a spigot that can be turned off and back on are therefore clearly unrealistic. While the White House estimates that Iran stands to receive \$6 billion to \$7 billion in sanctions relief through the agreement, the true value of the sanctions relief is well more than \$20 billion when accounting for the full macroeconomic picture in Iran. By rolling back sanctions now, the international community is significantly lessening the pressure on Iran's economy. Six months from now, we believe there will be far less pressure for Iran to actually make material concessions on its nuclear program. It is no wonder that Rouhani believes that "the world powers surrendered to Iran."

#### **IMPLICATIONS FOR THE NUCLEAR NONPROLIFERATION REGIME**

If Iran is permitted to retain an industrial-scale enrichment program, it is important to stress that it will likely do irreparable damage to the Nuclear Nonproliferation Treaty (NPT), a vital pillar of international security. In upholding its so-called right to enrich, Iran often refers to the "double standards" of the "arrogant powers" who are preventing Iran from exercising its "inalienable rights" to nuclear energy. In fact, by asserting that it "will not accept any limitations" on its nuclear program, the Iranian regime is actually seeking special treatment and asserting that it is above international norms. The fact is that the majority of countries with nuclear power programs do not possess domestic uranium enrichment programs because of the proliferation threat and the great economic cost of such projects. Given its immense oil and natural gas reserves, it is of course economically nonsensical for Iran to build its enrichment capacity unless of course it had a clear ulterior motive – a nuclear weapon.

At UANI, we urge policymakers to preserve the "Gold Standard" for U.S. nuclear non-proliferation policy as negotiations continue with Iran. Under the "Gold Standard", NPT signatories such as South Korea, Taiwan, Turkey and the United Arab Emirates have developed peaceful nuclear energy programs in cooperation with the U.S. while voluntarily eschewing domestic enrichment or reprocessing capabilities due to the inherent proliferation risk. All told, there are 17 countries that have a nuclear-civilian-cooperation agreement with the U.S. and do not have enrichment or reprocessing activities on their soil. Simply put, it will be nearly impossible--politically and diplomatically--to expect allies and other countries (the 'responsible actors') to forego nuclear fuel-making activities if in a final agreement, we allow Iran, one of the worst global actors and an egregious violator of international law, to retain domestic enrichment on its soil and at an industrial-scale. This will put the cause of nuclear nonproliferation, particularly in the volatile Middle East, at profound risk, and be totally contradictory to President Obama's priority of creating "a world without nuclear weapons."

#### **TO WHAT END A FINAL AGREEMENT?**

The ultimate purpose of the Interim Agreement should be to reach a final accord that resolves all outstanding concerns about Iran's nuclear program. However, the views of Iran and the U.S. on what a final deal should look like are so fundamentally different that it is quite clear that a final agreement will not be able to be negotiated within these six months. For example, while President Obama says Iran does not need the underground fortified Fordow facility, the Arak heavy-water reactor, or advanced centrifuges "in order to have a limited, peaceful program," Rouhani just declared in a CNN interview that Tehran "will not accept any limitations" on its nuclear program and that Iran would not destroy any centrifuges "under any

circumstances.” There is no reasonable room for compromise when the Iranian regime has already laid out maximalist positions that show it is not prepared to negotiate in good-faith and rollback elements of its nuclear program.

The White House needs to be much more assertive in stating what it seeks in a final agreement, and Congress must actively take part in this process and make its position known. If the White House refuses to engage in such a discussion, Congress must take up the debate itself on the House and Senate Floors. It is vital that the U.S. make clear to Iran that in any final deal, it will not be permitted to retain an industrial-scale nuclear program. We believe that this would entail capping the number of IR-1 centrifuges to a small fraction of the the nearly 20,000 Iran currently possesses or, more appropriately, none at all. If Iran is able to retain its industrial-scale infrastructure, it will be able to ‘breakout’ at a time of the Supreme Leader’s choosing. In a final agreement, Iran must be at least 18 months away from breakout given the long history of duplicity on its nuclear file.

We respectfully call on Congress to debate this matter paramount to our national security and ensure that any final accord Iran will not be able to breakout in a time period that would be inconsistent with our abilities of detection and our abilities to act.

#### **CONGRESSIONAL SANCTIONS DEBATE**

Given that Iran is clearly not prepared to negotiate in good faith over its nuclear program, UANI strongly supports efforts to impose sanctions on Iran in six months’ time if no final accord is reached. The Senate’s “Nuclear Weapon Free Iran Act,” which has the support of a bipartisan majority of U.S. Senators and contains humanitarian carve-outs, reversibility, broad

discretionary and waiver authority for the President, and delayed implementation corresponding to the Geneva agreement, would achieve just that.

It is greatly disappointing that the White House is characterizing those who support new Iran sanctions or question the Joint Plan as dishonest warmongers. It is nonsensical and out of bounds to say that a bipartisan majority of U.S. Congressmen secretly want war with Iran. As President Obama has stated, sanctions are a non-violent policy tool used to avoid war, and they succeeded in severely weakening and isolating the Iranian regime and its economy, and bringing Iran back to the negotiating table.

If the White House has reservations with the content of the legislation, it should work collaboratively with Congress to address those issues. But rather than take such initiative, the administration instead has chosen to slander Congressmen as warmongers. It is time for the White House to work collaboratively with Congress and commit to new sanctions should Iran fail to live up to its commitments.

## **CONCLUSION**

History offers a disturbing precedent for the trajectory of the Iran nuclear file. In the 1990's the United States had entered into a similar interim nuclear agreement with North Korea. That agreement, called the Agreed Framework, was to be temporary and lead to a final accord fully resolving the nuclear issues between the DPRK, the U.S. and the international community. Regrettably, the Agreed Framework became the proverbial can that was kicked down the road. No final agreement was ever struck, the Agreed Framework was passed along and the DPRK surprised the world with a nuclear weapons test. The Joint Plan has many of the hallmarks of the Agreed Framework. All of us must ensure that the Joint Plan does not become

the Agreed Framework II. To prevent this, Congress must make clear that if there is no final agreement after the Joint Plan's initial six month duration that Congress will adopt and impose more robust sanctions. The Joint Plan must not become a de facto final accord. We must learn the lessons of history and not repeat its mistakes.

Today we respectfully call on Congress to enact new sanctions on Iran to be imposed in six months in the event that no final accord is achieved and respectfully call on Congress to make clear the acceptable levels of enrichment, if any enrichment, that Congress would accept in order to end sanctions. Iran must know that if it continues on its nuclear path it will face ever growing financial and diplomatic isolation. Iran must know that if it does not reach a final accord with the United States and its allies after the Joint Plan's six month period it will face more sanctions.

Honorable Chairs, distinguished members of this Subcommittee, thank you for taking the time to allow me to discuss UANI's views on the current status of negotiations. We stand ready to work with you in any possible way.

Ms. ROS-LEHTINEN. And the subcommittees will recess while we vote, and we will come right back to hear the rest of our panelists and to have members question them. The subcommittee is in recess.

[Recess.]

Ms. ROS-LEHTINEN. The subcommittee will come to order.

Thank you for your patience as we voted. We will have another set of votes at 4 o'clock, so we hope that we can almost wrap it up.

Mr. Jones, you are welcome to make your statement, and your prepared remarks, as we said, will be made a part of the record. Thank you, sir.

**STATEMENT OF MR. GREGORY S. JONES, SENIOR RESEARCHER, NONPROLIFERATION POLICY EDUCATION CENTER**

Mr. JONES. Thank you.

In early November, Secretary of State Kerry said of the ongoing negotiations with Iran, "We need to get the right deal. No deal is better than a bad deal." Unfortunately, the November 24th Joint Plan of Action is a bad deal. This fact has been obscured by both a mischaracterization of the deal's benefits and the denial of the deal's great flaw.

President Obama has said that the deal has "cut off Iran's most likely paths to a bomb." This is not true. Before the current nuclear deal, Iran could produce the highly enriched uranium, HEU, for a nuclear weapon in just 6 weeks. Over the next 6 months, the Joint Plan of Action will increase this interval only slightly, to 8 weeks. Iran will remain perilously close to a nuclear weapon.

The Joint Plan of Action allows Iran to continue to produce 3.5 percent enriched uranium, which is the key starting material for any uranium effort to produce HEU for weapons. Iran's stockpile of this material will continue to grow during the course of this nuclear deal, though several White House statements as well as Secretary Kerry have incorrectly claimed otherwise. As this stockpile of enriched uranium grows, the number of nuclear weapons that Iran could produce from it will grow as well.

Iran's stockpile of 3.5 percent enriched uranium in the form of uranium hexafluoride is not supposed to grow. Iran is supposed to convert the excess into an oxide form, but Iran can easily convert this material back into hexafluoride once it begins to produce nuclear weapons. This fact is well known to U.S. technical experts, but their input was apparently either not sought or heeded.

The Joint Plan of Action does have some benefits, and there are those who have argued that even limited benefits are better than no deal, but this view ignores the great flaw in the deal. It permits Iran to retain centrifuge enrichment. Centrifuge technology puts any country within an arm's reach of the HEU for nuclear weapons.

The Joint Plan of Action has already stated that when the follow-on so-called comprehensive solution has expired, Iran "will be treated in the same manner as that of any nonnuclear weapons state party to the NPT." This means that in, say, 5 or 10 years, Iran's nuclear program will be under no special restrictions, and if the P5+1 members have allowed Iran to keep its centrifuge enrich-

ment program, then not only could it build as many centrifuges as it wants, it could also import centrifuges as part of normal nuclear trade. Iran could then have a larger, more robust centrifuge enrichment program and be much closer to acquiring nuclear weapons than it currently is.

What is worse, the Joint Plan of Action will be setting a precedent for all other nonnuclear-weapon countries. After all, if Iran is to be treated in the same manner as that of any nonnuclear-weapon state party to the NPT, then the reverse would be true as well. If Iran, that has violated its IAEA safeguards by conducting clandestine centrifuge enrichment and has defied multiple U.N. Security Council resolutions demanding that it halt its centrifuge enrichment, is allowed to retain this capability, on what basis can any country that has abided by its IAEA safeguard obligations be denied centrifuge enrichment? The Joint Plan of Action is setting the stage for many countries to acquire centrifuge enrichment, making it very easy for them to produce the HEU for nuclear weapons whenever they desire them.

Unfortunately, there are no good options to head off a nuclear-armed Iran. Any negotiated settlement would require major reductions in Iran's centrifuge enrichment program, reductions that Iran has already said it will not agree to. Further sanctions are unlikely to be effective since countries such as Russia and China will probably undercut them. Military strikes could easily lead to an ill-advised major war with Iran.

The U.S. instead needs to try to strengthen the overall non-proliferation system, which appears to be unraveling. Key to this effort will be to stop countries from using nominally peaceful nuclear activities to acquire the HEU or plutonium needed for nuclear weapons. The U.S. needs to urge the IAEA to clarify which materials and facilities it can effectively safeguard and which it cannot. A negotiated agreement with Iran that legitimizes its centrifuge enrichment program would be a step in the wrong direction.

Thank you.

Ms. ROS-LEHTINEN. Thank you very much, Mr. Jones.  
[The prepared statement of Mr. Jones follows:]

**Written Statement of Gregory S. Jones**  
**Senior Researcher, Nonproliferation Policy Education Center**  
**House Foreign Affairs Committee**  
**Hearing on: Implementation of the Iran Nuclear Deal**  
**January 28, 2014**

In early November, Secretary of State Kerry said of the ongoing negotiations with Iran: "...we need to get the right deal, no deal is better than a bad deal."<sup>1</sup> Unfortunately the November 24 "Joint Plan of Action" is a bad deal. This fact has been obscured by both the mischaracterization of the deal's benefits and the denial of the deal's great flaw.

President Obama has said that the Joint Plan of Action has "cut off Iran's most likely paths to a bomb."<sup>2</sup> This is not true. Before the current nuclear deal Iran could produce the highly enriched uranium (HEU) for a nuclear weapon in just six weeks. By the end of the Joint Plan of Action's six month period, Iran will be able to produce this material in just eight weeks.<sup>3</sup> Iran will still remain perilously close to a nuclear weapon.

The Joint Plan of Action allows Iran to continue to produce 3.5% enriched uranium which is the key starting material for any Iranian effort to produce highly enriched uranium for weapons. Iran's stockpile of this material will continue to grow during the course of this nuclear deal though several White House statements as well as Secretary Kerry have incorrectly claimed otherwise.<sup>4</sup> The amount of HEU for nuclear weapons that Iran could produce from its enriched uranium stockpile in November 2013 was 67 kilograms. By July 20, 2014, six months after the Joint Plan of Action has taken effect, Iran's enriched uranium stockpile will have grown sufficiently so that Iran will then be able to produce 76 kilograms of HEU—a 13% increase.

Under Secretary of State Wendy Sherman has made clear that it is Iran's stockpile of 3.5% enriched uranium in the form of uranium hexafluoride that is not supposed to grow, not its total stockpile of this material.<sup>5</sup> Iran is supposed to convert the excess into an oxide form but it is unclear whether this will take place, as Iran has yet to get its conversion facility into operation.<sup>6</sup> At any rate, Iran can easily convert this material back into hexafluoride once it begins to produce

<sup>1</sup> "Interview With David Gregory of Meet the Press," November 10, 2013.

<sup>2</sup> "Full text of President Obama's remarks on Iran agreement," November 23, 2013.

<sup>3</sup> Gregory S. Jones, "Iran's Enriched Uranium Stocks Can Produce Enough HEU for 3 to 5 Nuclear Weapons. The World's Commitment to Nonproliferation is in Doubt, Centrifuge Enrichment and the IAEA August 28, 2013 Safeguards Update," Nonproliferation Policy Education Center, September 10, 2013.

<sup>4</sup> <http://npolicy.org/article.php?aid=1222&rid=4>

<sup>5</sup> Office of the Press Secretary, The White House, "Summary of Technical Understandings Related to the Implementation of the Joint Plan of Action on the Islamic Republic of Iran's Nuclear Program, January 16, 2014; Office of the Press Secretary, The White House, "Fact Sheet: First Step Understandings Regarding the Islamic Republic of Iran's Nuclear Program, November 23, 2013; "The P5+1's First Step Agreement With Iran on its Nuclear Program," Testimony, John Kerry, Secretary of State, Opening Remarks Before the House Foreign Affairs Committee, Washington, DC, December 10, 2013

<sup>6</sup> "Assessing the P5+1 Joint Plan of Action With Iran," Testimony, Wendy R. Sherman, Under Secretary of State for Political Affairs, Written Statement Before the Senate Committee on Banking, Housing and Urban Affairs, Washington, DC, December 12, 2013.

<sup>7</sup> Fredrik Dahl, "Iran's nuclear stockpile may rise for now despite deal with powers-RTRS," *Reuters*, January 22, 2014.



nuclear weapons using existing facilities that Iran already uses to produce uranium hexafluoride for its centrifuge enrichment process. This fact is well known to U.S. technical experts but their input was apparently either not sought or heeded on this matter which is rather surprising given the technical nature of these negotiations.

The Joint Plan of Action does have some benefits and there are those who have argued that even limited benefits are better than no deal. But this view ignores the great flaw in the deal, it permits Iran to retain centrifuge enrichment. This fact has been denied by Secretary of State Kerry<sup>7</sup> but the Joint Plan of Action says in two separate places that the follow-on Comprehensive Solution would “involve a mutually defined enrichment programme....” Note that the text says “would,” not “might” or “could.” That the Comprehensive Solution will permit Iranian centrifuge enrichment was later confirmed by the Obama administration national security spokeswoman Bernadette Meehan who said, “We are prepared to negotiate a strictly limited enrichment program.”<sup>8</sup>

It has been the policy of the U.S. and others to prevent the acquisition of enrichment and reprocessing technologies by non-nuclear weapon states. Indeed the Joint Plan of Action flatly prohibits Iran from developing reprocessing technologies and facilities so it is even more puzzling that this deal approves Iran’s continuing possession of centrifuge enrichment. Centrifuge technology puts any country within an arm’s reach of highly enriched uranium for nuclear weapons.

The Joint Plan of Action also provides that when the follow-on so-called Comprehensive Solution has expired, Iran “will be treated in the same manner as that of any non-nuclear weapon state party to the NPT.” This means that in say five or ten years, Iran’s nuclear program will be under no special restrictions. If the U.S. and the other P5+1 members have allowed Iran to keep its centrifuge enrichment program, then not only could Iran build as many centrifuges as it wants, it could also import centrifuges as part of normal nuclear trade. Iran could then have a larger, more robust centrifuge enrichment program and be much closer to acquiring nuclear weapons than it currently is.

What is worse, the Joint Plan of Action will be setting a precedent for all other non-nuclear weapon countries. After all, if Iran is to be treated in the same manner as that of any non-nuclear weapon state party to the NPT, then the reverse would be true as well. Other countries could claim the same treatment afforded to Iran. If Iran which has violated its International Atomic Energy Agency (IAEA) safeguards by conducting clandestine centrifuge enrichment and defied multiple U.N. Security Council resolutions demanding that it halt centrifuge enrichment, is allowed to retain this capability, on what basis can any country that has abided by its IAEA safeguard obligations be denied centrifuge enrichment? The Joint Plan of Action is setting the stage for many countries to acquire centrifuge enrichment, making it very easy for them to produce the HEU for nuclear weapons whenever they desire them.

<sup>7</sup> Aaron Blake, “Kerry on Iran: ‘We do not recognize a right to enrich.’” *The Washington Post*, November 24, 2013.

<sup>8</sup> Jim Acosta, “White House prepared to allow limited Iran nuclear enrichment,” CNN Political Ticker, December 4, 2013.

The only reasonable negotiating position is for the U.S. and the P5+1 to insist that Iran stops all uranium enrichment and dismantles its centrifuge enrichment facilities. President Obama and others have recognized that this would be the best outcome from the negotiations with Iran but have said that it is an unrealistic demand since Iran would never agree. However, the whole point of the negotiations is to reduce Iran's centrifuge enrichment facilities and enriched uranium stockpiles so that it would take Iran at least a year to be able to produce the HEU for a nuclear weapon. To accomplish this goal would require Iran to export over three quarters of its current 3.5% enriched uranium stockpile and reduce its number of centrifuges from the current 19,000 to only a few thousand. Is it any more likely that Iran will agree to this large-scale reduction of its centrifuge enrichment program? The real danger is that the so-called realists will, in order to achieve some kind of agreement, allow Iran to retain the bulk of its centrifuges and enriched uranium stockpile and Iran will remain within a few months of being able to acquire the HEU needed for nuclear weapons.

The U.S. Congress has been considering yet more sanctions to pressure Iran. However, these sanctions would not be supported by Russia and China. Since the fall of 2011 these two countries have refused to allow the United Nations to authorize any further sanctions on Iran, leaving the U.S. and EU to impose sanctions by themselves. Both Russia and China have refused to support what they consider unilateral U.S. and EU sanctions. Both countries have continued trading with Iran and China has continued to purchase oil from Iran. In an important development, Russia and Iran are negotiating an agreement that would allow Iran to increase its oil exports by 50% by creating a barter arrangement whereby Russia would receive 500,000 barrels a day of Iranian oil in exchange for Russian equipment and goods.<sup>9</sup> Russia is essentially going to "launder" Iranian oil by hiding it in Russia's own large oil exports.

Nor are China and Russia the only countries that have not supported the U.S. and EU sanctions. India, with its important economy, has said that it will not follow unilateral sanctions but only those imposed by the UN. India has gone so far as to change its tax code so as to facilitate a method of payment for purchases of Iranian oil that involves using rupees rather than dollars. With such an attitude by non-Western countries, it is unlikely that U.S. and EU sanctions will have the necessary bite to compel Iran to give up its uranium enrichment program.

The Obama administration has repeatedly said that all options including a military strike against Iran's centrifuge enrichment program are on the table. In the past, the Israelis have destroyed nuclear reactors in both Iraq and Syria. However, attacking centrifuge enrichment facilities is quite different from attacking single nuclear reactors and Iran's enrichment program is already well into a zone of immunity with regard to a single air strike. At its main enrichment facility at Natanz, Iran has 96 completed cascades designed to operate in parallel.<sup>10</sup> An air strike on Natanz that scored multiple bomb hits would shut down the entire facility. But the majority of the cascades would be undamaged and not able to operate only due to damage to piping and the loss of utilities. It would only take a few months of repairs before these undamaged cascades were back in operation. Even for the cascades that suffered bomb hits, the majority of the centrifuges would still be undamaged. Iran could pull out the undamaged centrifuges and use them to build

<sup>9</sup> "Iranian minister says oil-goods swap deal not topic on Russia visit," *Reuters*, January 16, 2014.

<sup>10</sup> Iran has declared to the IAEA that it has 52 of these cascades in operation.

new cascades. It would only take four to six months before Iran would return to nearly full production.

A further problem is that Iran's stockpiles of enriched uranium in November 2013 were about 4,600 kilograms of 3.5% enriched uranium and 132 kilograms of 19.7% enriched uranium.<sup>11</sup> These stockpiles represent years of centrifuge plant operation but would be very difficult to destroy by air attack. The combined volume of these two stockpiles is less than two cubic yards—making them very easy to hide or protect.

It is small wonder that, when discussing possible attacks on Iran's centrifuge enrichment program, U.S. officials have talked of bombing campaigns rather than single strikes.<sup>12</sup> By bombing Iran's facilities every few months, it would be possible to keep Iran's current enrichment facilities shutdown. Such a campaign would also have the advantage that the question of whether U.S. large bunker-buster bombs can actually penetrate and hit Iran's underground enrichment facility near Qom would largely be moot. No matter how deep and well protected a bunker is, it is always possible to collapse the entrance tunnels and cut off the utilities from the outside.

There are two problems with such an air bombing campaign. First, Iran could respond by dispersing its centrifuges. Indeed, centrifuge enrichment with its many parallel cascades would be ideal for such dispersal. The U.S. would be able to find and bomb some of these dispersed enrichment sites but many would continue in operation undetected. Second, such a prolonged bombing campaign would run a serious risk of turning into a large-scale war with Iran. Though no doubt the U.S. would eventually win such a war, I think that given the financially-weakened and war-weary condition of the U.S. such a war would be ill-advised.

There are no good options to head off a nuclear-armed Iran. However, this does not mean that I think Iran will become an overt nuclear weapons state in the near future. Iran is likely taking the long view. If the negotiations on the Comprehensive Solution fail, then Iran can quickly resume producing 20% enriched uranium and expanding its centrifuge enrichment facilities. If the negotiations succeed, Iran can claim the prize of having international approval of its possession of centrifuge enrichment, wait out the term of the restrictions of the Comprehensive Solution and then greatly expand its centrifuge facilities giving Iran easy access to the HEU for nuclear weapons. Recall that in the past other countries have outlasted U.S. efforts to stop their acquisition of nuclear weapons. For example, Pakistan developed nuclear weapons in the late 1980s but it was not until 1998 that Pakistan actually tested a nuclear weapon.

As bad as the Iranian situation is, an even worse problem is the potential unraveling of the entire nonproliferation system. In August 2013, Syria conducted large-scale chemical weapon attacks against rebel held areas using the nerve agent sarin, exposing many thousands and killing at least many hundreds. This attack was the first time in 25 years that a nation has employed chemical weapons on such a large scale.

<sup>11</sup> These are only the stockpiles of enriched uranium in the form of uranium hexafluoride.

<sup>12</sup> Joby Warrick, "Iran's underground nuclear sites not immune to U.S. bunker-busters, experts say," *The Washington Post*, February 29, 2012.

The world's reaction to this serious breach of nonproliferation norms was underwhelming. Though France came out strongly in favor of taking military action against Syria, the UK went "wobbly," as the late Margaret Thatcher would have said, with the British parliament voting against taking any military action against Syria. The U.S. took a very deliberate approach, with President Obama trying to get the support of Congress before taking any military action. But the statements of some U.S. lawmakers indicated that they did not see any value in taking military action to punish Syria for its use of chemical weapons and to deter Syria from any further use. Such statements indicate that these lawmakers saw no value in maintaining nonproliferation norms, which was a rather disturbing development. These events must certainly undermine the credibility of the Obama administration's claim that all options are on the table with regard to Iran.

Even before Syria's large-scale use of chemical weapons and the world's tepid response, the accumulation of decades of neglect and short-term "fixes" has put the nuclear nonproliferation regime under considerable stress. During this interval both Pakistan and North Korea have acquired nuclear arsenals and Iran has made steady progress toward nuclear weapons.

One result of the most recent North Korean nuclear test was to increase pressures in both Japan and South Korea to acquire their own nuclear weapons.<sup>13</sup> Influential political figures in South Korea have suggested that now might be the time for South Korea to develop its own nuclear weapons or that at least the U.S. should return tactical nuclear weapons to South Korea.<sup>14</sup> South Korea has strongly pressed the U.S. to allow it to extract the plutonium from its nuclear reactor spent fuel. This step would provide South Korea easy access to nuclear weapons.

Japan already has a plutonium stockpile of 44 metric tons produced as a result of its civil nuclear power program. About 35 metric tons are stored overseas but about 9 metric tons (enough to produce thousands of nuclear weapons) are stored in Japan.<sup>15</sup> Recently a number of Japanese political figures have openly argued that Japan should continue its plutonium program as a nuclear weapon hedge and Japan's parliament has amended its atomic energy act to explicitly include "national security" as one of the prime missions of Japan's civilian nuclear energy program.

These developments in East Asia provide a preview of how events in the Middle East may play out. Though countries such as Egypt, Saudi Arabia and Turkey currently lack the necessary nuclear technology to be able to produce nuclear weapons any time soon, this may be changing. Saudi Arabia has said it plans to build 16 nuclear power reactors by 2030 and wants to have the first two in operation by 2023.<sup>16</sup> With such a large nuclear power program, Saudi Arabia could easily say that it also requires a large centrifuge enrichment program to provide fuel for these reactors, which would provide it with easy access to the HEU needed for nuclear weapons. Questions have also been raised about Turkey's plans to acquire Japanese nuclear reactors.

<sup>13</sup> Henry Sokolski, "After North Korea's Nuclear Test," *The National Review Online*, February 12, 2013.

<sup>14</sup> Martin Fackler and Choe Sang-Han, "South Korea Flirts With Nuclear Ideas as North Blusters," *The New York Times*, March 10, 2013.

<sup>15</sup> "The Current Situation of Plutonium Management in Japan," Cabinet Office, Secretariat of the Atomic Energy Commission, Japan, September 11, 2013.

<sup>16</sup> "Saudi Arabia to have 16 nuclear reactors by 2030," *The Times of India*, August 27, 2013.

Turkey requested that a provision be added to its nuclear cooperation agreement with Japan that would allow Turkey to acquire enrichment or reprocessing technologies if both parties agree.<sup>17</sup>

The IAEA needs to stop being complicit in this problem. The IAEA must end the pretense that it can effectively safeguard all nuclear material and activities, no matter how dangerous. Nuclear safeguards are supposed to be more than an accounting system. Rather the purpose of IAEA safeguards "...is the timely detection of diversion of significant quantities of *nuclear material* from peaceful nuclear activities to the manufacture of nuclear weapons or of other nuclear explosive devices or for purposes unknown, and deterrence of such diversion by the risk of early detection."<sup>18</sup> [Emphasis in original.]

For safeguards to be effective, non-nuclear weapon countries must be prohibited from possessing any materials or facilities that can quickly provide fissile material for nuclear weapons. This includes prohibiting not only enrichment and reprocessing facilities but also separated HEU, plutonium or U-233; and HEU, plutonium or U-233 that is contained in unirradiated reactor fuel (such as HEU fuel for research reactors or mixed oxide fuel for power reactors).<sup>19</sup> Such restrictions would require shutting down enrichment facilities not only in Iran but also in Germany, the Netherlands, Brazil and Japan, as well as reprocessing facilities in Japan. Such restrictions would also require the removal of Japan's massive plutonium stockpile.

The U.S. needs to examine how it can strengthen the nuclear nonproliferation system as a whole. Key to this effort will be to stop countries from using nominally peaceful nuclear activities to acquire the HEU or plutonium needed for nuclear weapons. The U.S. needs to urge the IAEA to clarify which materials and facilities it can effectively safeguard and which it cannot. A negotiated agreement with Iran that legitimizes its centrifuge enrichment program would be a step in the wrong direction. It will also be important for the U.S. to continue to prohibit South Korea from producing separated plutonium and to help Japan find a way to dispose of its huge plutonium stockpile.

<sup>17</sup> "Japan's energy pact with Turkey raises nuclear weapons concerns," *Asahi Shimbun*, January 7, 2014.

<sup>18</sup> "The Structure and Content of Agreements Between The Agency and States Required in Connection With The Treaty on the Non-Proliferation of Nuclear Weapons," International Atomic Energy Agency, INF/CIRC/153 (Corrected), June 1972, p.9.

<sup>19</sup> U-233, like plutonium and HEU, can be used to manufacture nuclear weapons. It is produced by the irradiation of thorium. Mixed oxide power reactor fuel is a mixture of uranium and plutonium oxides.

Ms. ROS-LEHTINEN. Mr.—help me out.  
 Mr. HEINONEN. Thank you very much.  
 Ms. ROS-LEHTINEN. Heinonen.  
 Mr. HEINONEN. Heinonen.  
 Ms. ROS-LEHTINEN. Got it.

**STATEMENT OF MR. OLLI HEINONEN, SENIOR FELLOW,  
 BELFER CENTER FOR SCIENCE AND INTERNATIONAL AF-  
 FAIRS, HARVARD UNIVERSITY (FORMER DEPUTY DIRECTOR  
 GENERAL OF THE INTERNATIONAL ATOMIC ENERGY AGEN-  
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Mr. HEINONEN. Chairman Ros-Lehtinen, Ranking Member Deutch, distinguished members of the committee, thank you very much for inviting me to address this hearing.

I will concentrate my remarks on the verification aspects of this deal which was concluded on the 20th of November, highlight some of the implications from a verification angle, and make some minor proposals for the way forward.

The interim agreement is a small but important step forward, which got, after a long delay, finally a good start on the 20th of January. Under this deal Iran continues to produce low enriched uranium, keeps both 5 and 20 percent enriched uranium stocks on its soil, maintains centrifuge production capabilities, including the skills of the workforce, and continues with centrifuge R&D and testing.

Iran will produce additional centrifuge rotors only to replace broken ones, but is not restricted in its production of other key centrifuge components or raw materials. No new centrifuges will be installed or new enrichment locations will be built during this period. Some of the 5 percent enriched uranium and all the 20 percent enriched uranium gets converted to oxides.

In terms of capacity, that is, when Iran is able to produce enough weapons-grade UF<sub>6</sub> material for a single nuclear explosive, the sliding bar will move from 2, 3 weeks to 3 months as a result of this deal. In other words, Iran maintains its semi-industrial enrichment capabilities.

Construction work in nonnuclear parts is permitted at the Arak IR-4 reactor, and reactor component manufacturing proceeds elsewhere. The production of heavy water continues. The halting of the fuel production at Isfahan and prohibiting of the installation of nuclear components delays the commissioning of Arak reactor until 2016.

In November 2003, EU-3, France, Germany, and the U.K., and Iran agreed to suspend uranium enrichment and reprocessing programs in Iran, implementing provisionally the additional protocol, and providing the IAEA with a complete picture on its past nuclear program. The verification of details worked out in 2003 agreement by the IAEA and Iran generally have provided IAEA a much wider access than this agreement.

The 2003 undertaking included, inter alia, access to the nuclear R&D not involving nuclear material. An example of such access was the IAEA visits to centrifuge mechanical testing, but this is in Tehran, Natanz, and Isfahan, and to centrifuge component manu-

facturing facilities, and to key raw materials such as high-strength aluminum or maraging steel.

One of the current challenges the IAEA is facing is to establish the actual inventory of centrifuge rotors manufactured by Iran. Iran commits itself not to construct new enrichment locations, reconvert uranium back to hexafluoride, and that it will not construct any facility capable for reprocessing. With the access provided currently by Iran and the JPA, the IAEA remains limited in its capabilities to confirm the statements made to this end by Iran regardless whether it is to do with the centrifuges, past centrifuge enrichment, laser enrichment, or reprocessing.

The preamble of this JPA refers to additional steps between initial measures and the final step, which include addressing the U.N. Security Council resolutions. Those include outstanding issues such as related to the possible military dimension of the Iranian nuclear program. In other words, Iran needs, according to those resolutions, to explain—resolve the questions related to all its studies, missile reentry vehicle, green salt, and certain high-explosive studies.

It has to explain why it acquired that uranium metal document, which was to do with the manufacturing of a nuclear warhead. It has to clarify the procurement and R&D activities of military-related institutes and companies, and has to explain the production of nuclear equipment and components by companies related to the military establishment.

Without addressing these questions, the IAEA Secretariat will not be able to come to any conclusion that all nuclear material in Iran is in peaceful use, which is essential in building confidence of the international community over Iran's nuclear program. To this end, I give in my written statement some proposals how to proceed on this way, gradually to set up and build this confidence about the peaceful nature of the program.

Then at the end I would like to say that this agreement serves an interim stage. It should not be either an end by itself or be sustained indefinitely beyond the allotted time period up to 1 year without end game in sight. Further extensions may also run the risk of proliferation consequences in the region when the states see Iran not only maintaining its current nuclear breakout capabilities, but slowly advancing them, in particular areas which remain inaccessible to the IAEA inspectors.

Thank you.

Ms. ROS-LEHTINEN. Thank you very much for your expertise.

[The prepared statement of Mr. Heinonen follows:]

**January 28, 2014**

**Implementation of the Iran Nuclear Deal**

*Olli Heinonen*

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*Belfer Center for Science and International Affairs,*

*John F. Kennedy School of Government*

*Harvard University*

Chairman Ros-Lehtinen, Ranking Member Deutch, distinguished members of the Subcommittee, thank you for inviting me to address this hearing on the “Implementation of the Iran Nuclear Deal”.

In my short testimony today, I will focus on the verification aspects of the Iran nuclear deal concluded in Geneva on 24 November 2013<sup>1</sup>, highlight some key implications, and make some suggestions for the way forward.

On 16 January 2014 the White House made public details from a more extensive non-paper, which specifies the current understandings between Iran and the P5+1 on the implementation of the Joint Plan of Action (JPA) in months to come. On 17 January, the IAEA issued a report on its monitoring plans under the JPA on Iran’s nuclear program to its Board of Governors, and followed up on 20 January 2014 with an information document regarding Iran’s first actual steps in implementing the JPA.

Very briefly, let me outline the technical markers being laid out in the Joint Plan of Action.

According to the provisions of the interim agreement, Iran continues to produce low enriched (below 5%) uranium and keeps both 5% and 20% enriched uranium stocks on its soil. Iran maintains centrifuge production capabilities including the skills of the work force, and continues with centrifuge R&D and testing. Iran is allowed to produce additional centrifuge rotors only to replace broken ones, but is not restricted in its production of other key centrifuge components or raw materials. In addition, no new centrifuges will be installed or new enrichment

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<sup>1</sup> Communication dated 27 November 2013 received from the EU High Representative concerning the text of the Joint Plan of Action, IAEA, INFCIRC/855, 27 November 2013.



locations will be built during this period. With regard Iran's uranium stockpile and production, some of the 5% enriched uranium and all the 20% enriched uranium gets converted to oxides. In terms of capacity – that is, when Iran is able to produce enough weapons grade UF<sub>6</sub> material for a single nuclear explosive - this moves the sliding bar to three months from the currently estimated two to three weeks window given Iran's currently known facilities.

Construction work in non-nuclear parts is permitted at the Arak IR-40 reactor, and reactor component manufacturing for IR-40 can proceed elsewhere. There are no restrictions to the production of heavy water. However, the halting of fuel production at Isfahan that would feed the Arak reactor and prohibiting the installation of nuclear components delays the commissioning of the Arak reactor until 2016.

#### **Centrifuge manufacturing and installation**

In November 2003, the EU3 (France, Germany and the United Kingdom) and Iran agreed<sup>2</sup> that the latter suspends its uranium enrichment and reprocessing programs, signs and implements provisionally the Additional Protocol, and provides the IAEA with a complete picture on its past nuclear program. Ten years ago, when Iran entered into agreement with the EU3, the nuclear program of Iran was less extensive and sophisticated. To-day Iran has mastered all aspects of the front end of a nuclear fuel cycle at semi-industrial scale, and has indigenous capabilities to produce domestically most nuclear equipment. The EU3-Iran arrangements in 2003, and verification details worked out between Iran and the IAEA, provided the IAEA with generally wider access rights to centrifuge manufacturing and testing than under the current Plan of Action. The 2003 undertaking included, *inter alia*, access to nuclear R&D not involving nuclear material. An example of such access was the IAEA visits to the centrifuge mechanical testing facilities in Tehran, Isfahan, and Natanz, which is excluded from the current plan. This would be relevant for any advanced centrifuge testings being carried out today. Another difference is that in 2003-2005, the IAEA had access to centrifuge component manufacturing facilities, and all components and key raw materials such as high strength aluminum or maraging steel were subject to monitoring by the IAEA.

<sup>2</sup> Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran, IAEA, GOV/2003/73, 10 November 2003.

Under the current agreement, Iran would produce additional centrifuges only to replace the broken ones, and it commits to placing all manufactured rotor cylinders and centrifuges under IAEA control. One of the challenges the IAEA is facing is to establish whether all rotors manufactured or acquired by Iran have been, indeed, declared. While it is not obvious from the Joint Plan of Action and the non-paper whether the IAEA will be provided with the essential information on the acquisition and inventories of raw materials in order to be able to confirm the declaration, this information is clearly needed to provide a more complete picture. Some additional complications may also arise from the fact that the IAEA does not have access to Iran's R&D installations where the mechanical tests of centrifuges are being conducted without nuclear material.

### **Enriched uranium inventories**

What will be the stocks of uranium in Iran six months from now? Iran will continue to produce 5 % enriched uranium with a monthly rate of about 250 kg UF<sub>6</sub>. However, it will convert any newly produced UF<sub>6</sub> to uranium oxide by the end of the six month period. Iran can be expected at the end of the period to tally 7.5 to 8.0 tons of 5 % enriched UF<sub>6</sub>, the rest being held in oxide form. This remains a substantial amount. A separate deal that was negotiated in 2009 but ultimately fell through that sought to provide fuel for Tehran Research Reactor, foresaw Iran's inventory of low enriched uranium not exceeding 1.2 tons of UF<sub>6</sub>.

Under today's agreement, Iran will dilute half of its 20 % enriched uranium to 5 % and convert it to uranium oxide. The other half will be converted in the coming months to oxide, but it will be kept as a working stock to produce 20 % enriched uranium fuel for the Tehran Research Reactor. These dilution and conversion activities of 20 % enriched uranium are the major factors which extend the break-out times to over three months, with currently known and installed centrifuges.

Such conversion activities meet the criteria set out under the JPA, which is meant to serve an interim stage. A more long lasting resolution however would clearly be needed going forward given stocks of 20 % uranium in pure oxide form can be reconverted to uranium hexafluoride and enriched further. As required by the Joint Plan, Iran has stated that there is currently no reversion line to reconvert uranium oxide enriched up to 20 % U-235 back to uranium hexafluoride UF<sub>6</sub>. With the access provided currently by Iran and the Joint Plan of Action, the IAEA can confirm Iran's statements only at facilities and buildings to which the IAEA currently has access.

### **IAEA inspections**

Will the IAEA be able to establish in a timely manner if production of higher enrichments of uranium commences in Natanz and Fordow? The agreement provides IAEA inspectors daily access to these installations, but only to surveillance records, and not to anywhere else at the facilities. The surveillance measures are designed to cover only certain activities such as removal of large objects from the cascade areas. Any changes to the actual cascade structures can be physically witnessed only during inspection visits into the cascade halls. To counteract these limitations, the IAEA carries out unannounced inspections. Increased unannounced inspections would increase the ratio of possible detection.

Additionally, to decrease detection time, the IAEA has to enhance its verification measures for both the 5% as well as 20 % enriched uranium, not only in Natanz, but also at the facilities in Isfahan. Understanding the actual parameters of what the IAEA does is important when addressing the issue of timely detection under the present revised system.

To strengthen timely detection, IAEA access to uranium mines and milling facilities should be another factor subject to verification, with information provided to include Iran's current and past production of uranium, and the whereabouts of the current stocks.

According to the Joint Plan of Action, Iran commits itself not to construct new enrichment locations. With the access provided currently by Iran and the Joint Plan of Action, the IAEA remains limited in its capabilities to confirm the statements made to this end by Iran regardless whether it is do with centrifuge or laser enrichment.

Iran has also stated, as required by the Joint Plan of Action, that it will not engage in reprocessing activities or construction of facility capable for reprocessing. With the access provided currently by Iran and the Joint Plan of Action, the IAEA can confirm the statement at the facilities and buildings to which it currently has access.

### **Dealing with the possible military dimensions of Iran's nuclear program**

The preamble of the Joint Plan of Action refers to additional steps between the initial measures and the final step, which include addressing UN Security Council

resolutions<sup>3</sup>. The 2010 UN Security Council resolution reaffirmed “that Iran shall cooperate fully with the IAEA on all outstanding issues, particularly those which give rise to concerns about the possible military dimensions of the Iranian nuclear program, including by providing access without delay to all sites, equipment, persons and documents requested by the IAEA...”<sup>4</sup>. As pointed out in the IAEA reports in May 2008<sup>5</sup> and November 2011<sup>6</sup>, this is essential for the IAEA to provide assurances regarding the absence of undeclared nuclear material and activities in Iran. Iran needs to, *inter alia*: resolve questions related to the alleged studies (missile re-entry vehicle, high-explosive studies); provide more information on the circumstances of the acquisition of the uranium metal document describing production of high enriched uranium components for a nuclear explosive device; clarify procurement and R&D activities of military related institutes and companies that could be nuclear related; and clarify the production of nuclear equipment and components by companies belonging to defense industries.

Without addressing those questions, the IAEA Secretariat will not be able to come to any conclusion that *all* nuclear material in Iran is in peaceful use, which is essential in building confidence of the international community over Iran's nuclear program.

Tackling the military concerns of Iran's nuclear program has been just as difficult as it is necessary. Justification that such queries would never be admitted by Iran and serve to hinder negotiations and therefore be set aside, is actually contrary to its logic. A comprehensive deal can only be reached if uncertainties over Iran's military nuclear capability are addressed. Such concerns, however, can be approached in a forward-looking way. For instance, the IAEA can establish, which of the past activities have been terminated, confirm that all nuclear material and facilities are subject to the IAEA safeguards, and activities contradicting the letter and spirit of the NPT have ceased. These findings will then serve as a baseline for a monitoring scheme<sup>7</sup>, which starts with a grace period where the IAEA

<sup>3</sup> Communication dated 27 November 2013 received from the EU High Representative concerning the text of the Joint Plan of Action, INFCIRC/855, IAEA, 27 November 2013.

<sup>4</sup> United Nations Security Council Resolution 1929, 2010.

<sup>5</sup> Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions 1737 (2006), 1747 (2007) and 1803 (2008) in the Islamic Republic of Iran, IAEA, GOV/2008/15, 26 May 2008.

<sup>6</sup> Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions in the Islamic Republic of Iran, IAEA, GOV/2011/65, 8 November 2011.

<sup>7</sup> Olli Heinonen, The verification of the peaceful nature of Iran's nuclear program, in S.H. Chang and J. Kang, Assessment of the Nuclear Programs of Iran and North Korea: Technical Aspects, 2012.

verification access go beyond the safeguards agreement and the Additional Protocol. Such a stepwise process will be useful in building gradually confidence about the peaceful nature and content of Iran's nuclear program. What kind of uranium enrichment capacity - "mutually defined enrichment programs with mutually agreed parameters consistent with practical needs." - is in line with the actual needs of the nuclear program of Iran? Which kind of research reactor meets best Iran's training, R&D and isotope production needs? Working on a viable solution to replace the Arak heavy water reactor with a smaller modern up-to-date light water reactor?<sup>8</sup> To allow for a negotiated contour of some civilian nuclear power in Iran that would likely be envisaged in a final deal, Iran should outline, at an early stage, a comprehensive energy and nuclear energy plan - a white paper - which explains rationally its needs and vision for the future in a transparent way.

### **In summary**

The current agreement between the P5+1 and Iran is a small first step that tests the ground for the possibility of a comprehensive deal. In this sense, this agreement is important, insofar as it forms part of the route to what can constitute as a consequential final accord. This is not going to be easy as the most difficult parts lie ahead: agreement on the scope of uranium enrichment and heavy water program, and Iran's seriousness in addressing questions and concerns related to its nuclear program's military dimension, which go well beyond access to one particular building at Parchin.

Since this agreement serves an interim stage, it should not be either an end in itself or be sustained indefinitely beyond the allotted time period of up to a year without an end game in sight. Further extensions may also run the risk of proliferation consequences in the region, when states see Iran not only maintaining its current nuclear break-out capabilities, but slowly advancing them, in particular, in areas, which remain inaccessible to the IAEA during the interim phase.

The IAEA Director General Mr. Amano stated in the IAEA Board meeting on 24 January that he plans to report the progress in monthly intervals in addition to his quarterly reports. It is recommended that the IAEA Board makes them public as it has done with its quarterly reports.

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<sup>8</sup> Olli Heinonen, The 20 Percent Solution, Foreign Policy, 11 January 2012.

Ms. ROS-LEHTINEN. Mr. Albright.

**STATEMENT OF MR. DAVID ALBRIGHT, FOUNDER AND PRESIDENT, INSTITUTE FOR SCIENCE AND INTERNATIONAL SECURITY**

Mr. ALBRIGHT. Thank you very much for inviting me today. It is a great pleasure to be here. And I appreciate all your work that you are doing to try to sort through the proper oversight role of Congress, which I personally believe is extremely important in this situation.

I think we have discussed the interim deal of the Joint Plan of Action quite a bit, and I think its strengths and weaknesses have been identified. I think the real test of the Joint Plan of Action is going to lie in negotiating the long-term arrangements, and that is a process that many are not giving a high probability of success. But nonetheless, this long-term, comprehensive solution is going to have to create meaningful limits on Iran's nuclear program, combined with adequate verification sufficient to ensure that any attempt by Iran to build nuclear weapons would be detected in a timely manner and provide adequate time for an international response.

Now, the interim deal is, from my point of view, an important confidence-building measure, but it certainly has its weaknesses, many of which have been talked about. And we yesterday published an article on some problems and loopholes involving centrifuge R&D, which we think rather than criticizing the interim deal, I would argue that that has to be fixed in any comprehensive solution; that Iran's ability to make advanced centrifuges has to be severely curtailed, and the process that they are involved in with centrifuge R&D has to be much more transparent, and particularly to deal with some of the problems Olli has confronted.

Also, I want to agree with what Olli said, that the interim deal should not continue past its planned lifetime. By itself it is by no means sufficient. And if you can't get a comprehensive deal, the interim deal is not a substitute in any manner.

Also, I want to say that a real test of Iran's intentions in the short to medium term is how it is going to treat the IAEA on these issues involving the allegations of Iran's past work on nuclear weapons and other military programs. Iran has delayed the meeting with the IAEA that was supposed to happen in January until February 8. Is it going to delay it again? Is it going to—and if it has a meeting, is it going to allow the IAEA to go to Parchin and other facilities and meet with people so the IAEA can get to the bottom of it?

Now, on the comprehensive solution, my testimony and our studies at ISIS have outlined what we see as a model, and certain things have been talked about. Certainly we want to see much greater breakout times. To meet our national security interests, we think the breakout times should be measured in 6 to 12 months to allow detection time and response time, and that is going to require Iran to remove over 14,000 centrifuges at Natanz and Fordow.

Also, some of my colleagues have mentioned the problem with oxide. I mean, the stocks of LEU need to be reduced, particularly the 20 percent stocks. Putting them into oxide may work in an in-

terim deal, but it doesn't work in a comprehensive deal. We all agree that the Iraq reactor, Iran's plutonium route to nuclear weapons, has to be blocked.

Also, we haven't talked a lot about it, but there needs to be much greater verification that is put in play. Often Iran says, we will accept the additional protocol. We would argue it has to be the additional protocol plus. There has to be another set of verification conditions in this deal that are going to provide much greater transparency of the program.

The other thing that is also important is to remember how long these conditions would last. The administration is talking about 20 years. Iran is talking about 3 to 5. I think it is very important that 20 years be the minimum, and that the administration be held to that minimum. I think if that is done, and in a sense Iran would be on probation for 20 years, that could provide the confidence that Iran has turned a corner.

One thing that this Joint Plan of Action doesn't deal with is how do they in a sense come out of probation; that it is right now implied that the conditions would end from one day to the next. And whatever the length is, probably some work needs to be done to make sure that the conditions are removed only if Iran has satisfied certain criteria.

I think I have talked enough about the verification, but I do want to reemphasize that Iran has been very tough on this. It has resisted all kinds of verification. It is resisting it today. And I think that another test is going to be whether Iran is fully cooperative with the IAEA and with the IAEA's effort to get to the bottom of all its outstanding issues, which are going to require much more intrusive verification, and that would be played out over the next several months if the comprehensive solution is going to be negotiated by the end of this 6-month period.

Let me just end there. I am sorry. I realize I am over time.

[The prepared statement of Mr. Albright follows:]

**Testimony of David Albright**  
**Before the Subcommittee on the Middle East and North Africa and**  
**Subcommittee on Terrorism, Nonproliferation, and Trade**  
**on the**  
**Implementation of the Iran Nuclear Deal**  
**January 28, 2014**

The Joint Plan of Action (JPA) negotiated between Iran and the United States and its partners in the P5+1 accomplishes a great deal in the short run, but its success remains uncertain, pending the negotiation of long-term arrangements. The JPA's interim steps, which began on January 20, 2014, are technically sound and lengthen Iran's breakout time to make enough weapon-grade uranium for nuclear weapons, establish transparency over many previously opaque Iranian nuclear activities, and freeze and even temporarily reverse key portions of the nuclear program. The JPA, however, leaves many key issues unsettled regarding a long-term, comprehensive solution. The test of the JPA lies in negotiating these long-term arrangements, a process President Obama gives a 50-50 chance of succeeding. A final agreement must create long-term, meaningful limits on Iran's nuclear program combined with adequate verification sufficient to ensure that any attempt by Iran to build nuclear weapons would be detected in a timely manner and provide adequate time for an international response. To improve the chances of success, the United States needs to clearly state its goals and be willing to walk away from a bad deal. If a comprehensive solution cannot be negotiated by the end of the interim period, the United States should increase economic sanctions on Iran and move to further its political isolation, while avoiding military strikes.

**Limited Interim Deal**

For six months, Iran has pledged to halt advances in major parts of its gas centrifuge program and its Arak reactor. An important accomplishment is that Iran is committed to eliminating its most readily nuclear weapons-usable stock of near 20 percent low enriched uranium through dilution or conversion into oxide form. Iran will not make, install, or stockpile centrifuges during the six month period. It will not enrich in any of its approximately 1,000 installed advanced IR-2m centrifuges at the Natanz Fuel Enrichment Plant, which can enrich three to five times faster than its first generation IR-1 centrifuges. The International Atomic Energy Agency (IAEA) will have greater access to Iran's nuclear sites and information; overall transparency will increase significantly. All these conditions mean Iran's nuclear program will pose fewer risks in the short term.

In particular, Iran would take longer to break out, namely divert its low enriched uranium and further enrich it to weapon-grade in sufficient quantities for a bomb. Once all the near 20 percent low enriched uranium is diluted or converted into oxide, the breakout times, if Iran used



its currently installed centrifuges, would lengthen from at least 1 to 1.6 months to at least 1.9 to 2.2 months. This may seem a small increase but with IAEA inspectors visiting daily the Natanz and Fordow enrichment sites, this increase in breakout times would be significant and allow the United States and its allies more time to respond to stop Iran before it produces enough weapon-grade uranium for a bomb. For the first time since Iran's capability to break out began approaching dangerous levels this year, breakout times would lengthen.

While the interim steps remain in place, Iran will be unable to reach the point where it has sufficient centrifuges and near 20 percent enriched uranium to break out and produce enough weapon-grade uranium for a bomb without being detected. ISIS calls this dangerous threshold "critical capability," and estimates that, absent a deal, Iran could achieve this capability in mid-2014. The interim deal, by eliminating Iran's stock of near 20 percent enriched uranium hexafluoride, will delay by many months Iran from achieving this destabilizing threshold, even if the constraints imposed by the deal end after six months.

But the interim steps are not without problems. They are limited in nature and are all reversible. So, if no long-term comprehensive solution is reached, Iran could resume making near 20 percent low enriched uranium and installing more centrifuges. The IAEA monitoring, while improved, falls far short of what is necessary for a long term agreement. Moreover, the increase in breakout times expected at the end of the six-month period may be helpful but is woefully inadequate for the long term and must be lengthened significantly in any comprehensive solution.

Further, an area that was not frozen in the interim deal is Iran's centrifuge research and development (R&D) program. The interim steps are not expected to seriously affect Iran's centrifuge research and development program. These steps may delay the final development of new centrifuges that have not yet used uranium hexafluoride at the Natanz Pilot Fuel Enrichment Plant. However, Iran can continue development of several existing types of advanced centrifuges, including the IR-2m, the IR-4, IR-6 and IR-6s. Although this threat is manageable in the short run because of the typically slow progress in Iran's centrifuge efforts, it is very problematic in the long term. A centrifuge five to ten times more capable than the IR-1 centrifuge would require five to ten times fewer centrifuges to make the same amount of weapon-grade uranium for nuclear weapons, allowing for much smaller facilities, fewer personnel, and procurement of less material. Centrifuge R&D could also lead to breakthroughs in materials or methods that would further strengthen a secret breakout effort and make both the implementation and verification of a comprehensive solution extremely difficult. More significant limitations on Iran's centrifuge R&D combined with greater transparency of this program need to be included in the final step of a comprehensive solution, given that Iran's development of more advanced centrifuges would greatly ease its ability to conduct a secret breakout to nuclear weapons.

Because of the limitations of the interim deal, it is rightly viewed as only temporary. It is not a substitute for a long-term solution. It is intended as a six-month measure that can be followed by an extension of six-months for a total of one year. This finite limit is essential to the integrity of the JPA. By no means should the interim steps be seen as sufficient for a long term resolution of the nuclear issue.

### Addressing the IAEA's Concerns about Military Dimensions

One issue that needs to be resolved before the finalization of a comprehensive solution is settling the IAEA's concerns about Iran's past and possibly on-going work on nuclear weapons and other alleged military nuclear activities. Iran has stalled on doing this for years. U.S. officials have stated that unless Iran satisfies all the IAEA's concerns there will be no comprehensive deal.

During the last several months, Iranian officials, including President Hassan Rouhani and Foreign Minister Mohammad Javad Zarif have emphasized that Iran has never pursued or sought a nuclear bomb. Unfortunately, the available evidence provides little reason to believe them.

- The IAEA has considerable evidence of Iranian work on nuclear weapons prior to 2004 and some evidence suggesting that some of that work continued afterward and may continue today. In its November 2011 safeguards report, the IAEA provided evidence of Iran's pre- and post-2003 nuclear weaponization efforts. The IAEA found, "The information indicates that prior to the end of 2003 [the activities] took place under a structured programme. There are also indications that some activities relevant to the development of a nuclear explosive device continued after 2003, and that some may still be ongoing."
- Western intelligence agencies are united in assessing with high confidence that Iran had a nuclear weapon program prior to 2004. They are less united about any such work after 2004.
- There is general agreement that the Iranian regime has not made a decision to build a nuclear weapon. There is less agreement whether Iran will refrain from building a nuclear weapon in the future.

The IAEA is scheduled to meet Iran in early February to discuss the next steps for Iran addressing the outstanding issues. Iran will need to allow the IAEA to visit several sites and interview a range of experts and officials in order to address its concerns.

The IAEA has identified several sites to Iran, but so far Iran has refused the IAEA's requests to visit these particular sites. The most prominent is a site at the Parchin military complex that is alleged to have been involved in undertaking high explosive tests related to the development of nuclear weapons. After the IAEA asked to visit this site in early 2012, Iran undertook extensive excavation and reconstruction at this site, compromising the IAEA's ability to settle this issue. Iran will need to address the Parchin issue to the satisfaction of the IAEA, which will inevitably involve more than simply allowing a visit. Other sites include workshops that were involved in making mock-ups of missile re-entry vehicles suitable to hold a nuclear warhead. An upcoming test of Iran's intentions will be whether it soon allows the IAEA to visit Parchin and conduct follow-up visits and interviews at other sites.

If Iran is unwilling to detail its past efforts to build nuclear weapons, or at the very least acknowledge the existence of a program, it will undermine the credibility of statements about its present-day nuclear intentions. If Iran wants the world to believe it will not build nuclear weapons in the future, the Iranian government should reconsider its blanket denials of ever seeking nuclear weapons in the past.

The Iranian government may reason that if it comes clean about its past activities, it will be punished by the international community. But other cases, such as South Africa, Brazil, and Libya, argue against such a response. The key is admitting these past activities as part of a process of placing strategic limitations on its nuclear programs and instituting far greater transparency. The IAEA and other governments can then develop confidence that Iran is not seeking nuclear weapons. But if Iran seeks to continue to hide its past military nuclear efforts, it may find that no amount of limitations and transparency on its current programs is enough to reassure the international community. Significant questions about its motives, such as a desire to maintain a latent breakout capability, will likely remain.

The Joint Plan of Action is structured to require Iran to satisfy the IAEA's concerns about the possible military dimensions of its nuclear programs prior to achieving a comprehensive solution. If Iran does not, then U.N. Security Council (UNSC) and U.S. economic sanctions should not be removed. In the case of UNSC sanctions, only one member state of the P5 need veto a resolution to prevent removing them, and this state would be fully justified since the IAEA's concerns about possible Iranian military nuclear programs are central to UNSC resolutions.

### **Comprehensive Solution**

In parallel to Iran/IAEA negotiations, the P5+1 will soon start negotiating the provisions of the comprehensive solution. The U.S. negotiators will face very tough resistance from Iran as they seek to achieve a long-term comprehensive agreement that will limit Iran's most dangerous nuclear programs and ensure adequate verification.

The over-riding goal of the negotiations of a comprehensive solution is to establish a set of provisions, and associated verification measures, which if Iran agreed to them would protect the national security interests of the United States and its allies. The resulting limited nuclear programs and extensive verification measures would eliminate the risk of Iran breaking out to nuclear weapons at declared or covert nuclear sites without that effort being detected in a timely manner and without adequate time for U.S. and international responses that would prevent Iran from succeeding in that effort. This approach depends on the United States remaining ready for many years to take the steps necessary to prevent Iran from obtaining nuclear weapons.

The Joint Plan of Action does not grant Iran the right to enrich uranium, but it accepts that in a comprehensive agreement Iran will maintain a centrifuge program. However, Iran conceded that

for a period to be agreed upon, any such program would be subject to limitations on the number of centrifuges, the location of any centrifuge plants, the level of enrichment, and the size of stocks of enriched uranium. It also agreed that the program must be consistent with “practical needs” within “mutually agreed parameters.”

In negotiating limitations on Iran’s centrifuge and other nuclear programs and adequate verification requirements, the United States should be guided by several key principles, including:

- Extending breakout times significantly to at least 6-12 months. This requires that Iran remove over 14,000 centrifuges at Natanz and Fordow;
- Reducing and limiting Iran’s stockpiles of enriched uranium and natural uranium;
- Blocking Iran’s plutonium route to nuclear weapons;
- Reducing significantly Iran’s ability to build secret facilities to enrich uranium or separate plutonium;
- Ensuring that Iran commits to stopping its illicit procurements for its nuclear programs
- Achieving that any limits on Iran’s nuclear programs have a duration of at least 20 years
- Implementing adequate verification that goes beyond the Additional Protocol; and
- Conditioning any end to UN Security Council and U.S. economic sanctions on Iran addressing all of the IAEA’s concerns, in particular those about Iran’s past and possibly on-going nuclear weapons efforts.

The following are a list of provisions that would meet the above principles and form the basis of a comprehensive solution able to protect adequately national security interests. For more detail, the reader is referred to a recent ISIS [report](#) on the necessary elements of a comprehensive solution. For background information, the reader is referred to the [main ISIS website](#) and its [Iran-specific website](#).

#### **Conditions without a defined duration**

- The Arak reactor complex will be upgraded to a light water reactor using low enriched uranium fuel.
- Iran will not reprocess any irradiated fuel or build a facility capable of reprocessing.
- Iran will not enrich above 5 percent in the isotope uranium 235, and will not produce stocks of enriched uranium that exceed in quantity the needs of its civilian program, noting that it has long term LEU fuel delivery agreements with Russia and would be expected to have additional ones with foreign reactor vendors after the conclusion of a comprehensive solution.
- Iran will commit not to procure goods for its nuclear programs abroad in a manner that is considered illicit (“illicit nuclear trafficking or trade”).

#### **Conditions and parameters with a defined duration of 20 years**

- Iran will have only one enrichment site, the one at Natanz. The Fordow site will be shut down or converted into a non-centrifuge-related site.

- Centrifuge research and development will only be conducted at the one enrichment site. All centrifuge testing, with or without nuclear material, will occur at this site. Centrifuge research and development will be limited to centrifuges with the theoretical equivalent enrichment output of no more than five separative work units in kilograms uranium (swu) per year. This is about the level of the IR-2m centrifuge.
- Major centrifuge component manufacturing and storage locations will be limited in number and identified.
- Centrifuge assembly will occur only at the one enrichment site.
- The number and type of centrifuges will be limited to ensure that breakout times are measured in many months and will be a minimum of six to twelve months at all times.
- In order to define a cap in practical terms, it is necessary to first consider the case where only IR-1 centrifuges are enriching at the Natanz Fuel Enrichment Plant. In the case of a six month breakout time, a cap on total number of IR-1 centrifuges at the Natanz site is derived from the condition of the historical IR-1 centrifuge operations at the Natanz Fuel Enrichment Plant and the size of Iran's residual stock of 3.5 and near 20 percent LEU. The estimated cap is about 4,000 IR-1 centrifuges in the case of a breakout estimate of six months and fewer centrifuges in the case of a 12 month breakout estimate.
- Because Iran may seek to replace the IR-1 centrifuges with more capable ones, a more general enrichment cap is derived from the cap on IR-1 centrifuges developed above and is approximately 3,600 swu/year. This value serves as a general enrichment cap regardless of the actual enrichment capacity of any centrifuge that would replace the IR-1 centrifuge in the future. If Iran deployed IR-2m centrifuges, for example, the parties would need to agree upon an average centrifuge enrichment value before deriving the number of IR-2m centrifuges needed to produce 3,600 swu/yr. For example, if an IR-2m centrifuge has an average enrichment output of 4 swu per year, then the cap would be 900 IR-2m centrifuges. If Iran deploys any other enrichment technology, such as laser enrichment, it and any centrifuge plant would need to have a total enrichment output at this cap or below.
- In the case of the IR-1 centrifuges, centrifuge manufacturing would be limited to the replacement of broken centrifuges, if no spares exist (see below). For example, in the case of IR-1 centrifuges, a stock of many thousands of uninstalled centrifuges would be stored and then drawn upon to replace broken ones. Thus, Iran would agree not to build any IR-1 centrifuges until this stock is exhausted.<sup>1</sup> Centrifuge manufacturing of new centrifuges in the case of the IR-2m centrifuge, if used for enrichment at the Natanz Fuel Enrichment Plant, would be unnecessary, at least initially, because any broken ones could be drawn from a surplus stock of them. In the case of new centrifuges, Iran will not build more centrifuges than allowed to be installed under the above enrichment cap of 3,600 swu/year and would build more only to replace broken ones.
- When the long term agreement takes effect, centrifuges and all associated cascade equipment in excess of the cap would be turned off, so that no centrifuges are operating

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<sup>1</sup> Broken centrifuges will be replaced with centrifuges of the same type. This should mean, for example, that an installed IR-1 centrifuge would be replaced with an IR-1 centrifuge of the same design and enrichment capability as the one removed. A broken centrifuge is defined as one that has a rotor assembly incapable of spinning under power and cannot be repaired.

and the cascades are not under vacuum. Centrifuges would be turned off in a controlled manner so as to limit centrifuge damage.

- Right after the comprehensive solution is implemented, excess centrifuges and the cascades containing them would be disabled in a manner so as to require at least one month to restart any disabled cascades.
- Excess centrifuges and associated cascade piping and equipment will be scheduled for removal from Natanz and Fordow and stored under IAEA monitoring. These centrifuges and associated cascade items will be stored at an agreed-upon site under IAEA monitoring, pending their use as replacements of broken centrifuges and cascades or their destruction under monitoring.
- Iran will not build any conversion lines that can convert enriched uranium oxide into hexafluoride form.
- LEU stocks will be limited, based on a realistic civil justification.
  - With regard to near 20 percent LEU, Iran will not possess any such LEU in hexafluoride form and its total stock in unirradiated oxide form including in fresh fuel elements and assemblies, will be less than the equivalent of 100 kg of near 20 percent LEU hexafluoride soon after the start of the implementation of the comprehensive solution. It has the equivalent of approximately 310 kg near 20 percent LEU hexafluoride, ignoring additional production in the last few months. A priority is achieving a reduction of the stock soon after the start of the implementation of the comprehensive solution to no more than the equivalent of 100 kg of near 20 percent LEU hexafluoride. During the implementation period, this stock will be reduced further to below the equivalent of 50 kg of near 20 percent LEU hexafluoride.
  - Iran will not possess more than the equivalent of 20 tonnes of unirradiated, less than five percent LEU hexafluoride, almost all of which should be in oxide form. Of this total LEU inventory, Iran will possess no more than 1.5 tonnes LEU hexafluoride at any one time; in essence this cap requires Iran to convert LEU hexafluoride into oxide form.
  - LEU in excess of these caps will be blended down to natural uranium or shipped abroad for storage or fuel manufacturing. In practice, this step is likely to be necessary only if Iran does not find a way to use this LEU in reactors during the next decade.
- Uranium mining, milling, and conversion facilities will be limited in throughput to the actual need for enrichment or other mutually agreed upon use.
- At the beginning of the period of the comprehensive solution, a procurement channel will be established for items needed in Iran's nuclear programs. The list of items will be established by mutual agreement and will include major nuclear facilities, nuclear components, nuclear and nuclear-related dual-use goods, and other sensitive items such as those on watch lists. Procurements of listed items outside this channel will be banned and considered illicit nuclear trade. This condition will also have the benefit of more clearly identifying procurements from North Korea to Iran as illicit. Iran will declare to the IAEA the key exports received and these items will be subject to IAEA verification.

- Iran will not export or otherwise transfer nuclear materials, reactors, centrifuges, reprocessing equipment, other nuclear facilities or equipment, or the means to make such equipment or facilities to any state, company, or other entity.<sup>2</sup>
- By the end of the period in which the comprehensive solution will be in force, Iran will implement an export control system in line with the requirements of the four main export control regimes (lists and guidance) and submit a comprehensive report to the 1540 Committee on Iran's implementation of the resolution. Iran will also commit not to export or otherwise transfer reprocessing or enrichment technologies or goods to any state or non-state actor after the comprehensive solution period ends.

### **Adequate Verification**

The provisions in a comprehensive solution require intrusive verification of Iran's nuclear program aimed at ensuring that Iran's declarations are correct and complete and developing confidence in the absence of undeclared nuclear facilities and materials. The latter condition must include sufficient verification measures to detect the construction and operation of secret gas centrifuge plants, a daunting task in the best of circumstances.

Certain key aspects of the verification arrangements are already clear. One overriding condition that will need to be accepted by Iran is what is commonly called the "Additional Protocol Plus" or "AP Plus." This condition recognizes that, despite its central importance, the Additional Protocol (AP) by itself is necessary but not sufficient to verify any comprehensive solution. The other elements that would comprise the "Plus" need to be further developed, but some have been identified in general. One element is the verification of centrifuge manufacturing, including the declaration and verification of key raw materials and components. The declaration needs to include the origin and amounts of key raw materials and the total number of major components, including the number held in stock, the number manufactured or procured, and their fate. Another element is the verification of uranium obtained abroad and produced domestically, e.g. in uranium mines and mills. A third area is the verification of any key facilities, materials, and components associated with the former military dimensions of Iran's nuclear programs. This step, once put in place, would depend on Iran already having satisfied the IAEA's concerns about the military dimensions of its nuclear programs. A fourth step is that Iran would agree to provide the IAEA with details of past and future imports, exports, and uses of key items listed under INFCIRC 254 part 1 and 2 and other critical goods that are used in Iran's nuclear programs.

### **Goal of Negotiations of Comprehensive Solution**

As I have underlined, the over-riding goal of the negotiations of a comprehensive solution is eliminate the risk of Iran breaking out to nuclear weapons at declared or covert nuclear sites without that effort being detected in a timely manner and without adequate time for U.S. and

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<sup>2</sup> A model condition developed by ISIS: The state of concern agrees not to transfer to any state or entity whatsoever, or in any way help a state or entity obtain, nuclear weapons or explosive devices, or components of such weapons; nuclear material; nuclear know-how or technology; or equipment, material, goods, technology designed for, prepared for, or that can contribute to the processing, use, or production of nuclear materials for nuclear weapons or in sanctioned nuclear programs.

international responses that would prevent Iran from succeeding in that effort. In return for these concessions and adequate verification, the United Nations Security Council, the United States, and allied countries should in a phased and reversible manner lift the economic sanctions currently in place against Iran.

An adequate comprehensive solution will depend on the United States and its allies now making clear to Iran what is required of it. Thus, this is indeed a pivotal moment. If the two sides are not able to negotiate an agreement, the P5+1 needs to be prepared to reestablish and increase economic sanctions on Iran. That eventuality needs to be prepared for today.

Thank you for inviting me to testify.



Ms. ROS-LEHTINEN. Thank you very much to the excellent panelists.

We will begin with our set of questions.

My first question is why is this deal in secret? Why is it that Members of Congress have to go to a supersecret secure location, cone of silence, Get Smart kind of place to look at the deal? And, Mr. Acevedo, our subcommittee staff director, and I did that, and we went into the room, and it is a very easy-to-read document. One doesn't have to be as an expert as one of our panelists is to understand what is there. It is quite eye-opening. I encourage all of the Members to go there and read the document. You can't take notes. You can't take it out.

But if this is such a great deal, if this is so good for peace and diplomacy in our time, why is it held in secret? And do you worry about the details in this plan? Do you worry about what may be or may not be in it? I just ask that as a general question, because having read it, if the administration is proud of it, I think that they should highlight it.

I will ask the panelists, what is the greatest worry you have about this deal? And, Ambassador Wallace, last week there were reports that Iran could use the money from sanctions relief to fund terrorism against us. What kind of oversight or mechanisms are in place, do you know, to ensure that the proper and adequate use of sanctions relief funds, and can we follow the money once it is released?

So the secretive nature of the deal; why doesn't the public have it; why can't we just have it in an open setting; your greatest worry; and can we follow the money? Whoever wants to get at that.

Ambassador?

Ambassador WALLACE. Thank you, Madam Chairman.

My biggest worry about the deal is that we have significantly rolled back the sanctions architecture which all of you, both sides of the aisle, have carefully constructed, and defied a variety of Presidents over a long time, and created the sanctions architecture.

Mr. Sherman said it quite well in his intervention where he said, you have to have ever-increasing sanctions for them to be effective. The moment you start dialing them back, they start falling away. So we have really undercut dramatically the sanctions effort, and the Iranian economy, as I said, is blossoming.

At the same time, we haven't rolled back their nuclear program in any material way. No one on this panel, and there are true experts on this panel on the complexities of the nuclear physics, can show that a single centrifuge has been dismantled. Whatever the range of opinions here, if you believe in no enrichment or some limited enrichment, it means that Iran can only have something like zero to maybe 4,000 IR-1, the most primitive centrifuge. That is the range of opinion probably at this table. I don't want to speak for my colleagues. What are the chances that Iran is going to dismantle 15,000 to 19,000 of its centrifuges? I say none.

So my worry is that the interim agreement becomes the permanent agreement.

Ms. ROS-LEHTINEN. Thank you.

Any other panelists?

Mr. Jones.

Mr. JONES. Can I just say with regard to the terms being somewhat secret, this does bother me, and not necessarily for the reason you think. It appears to me that the administration has negotiated an agreement it doesn't fully understand, and I don't understand how that can happen, because obviously there are technical experts in the national labs who know as much as I, if not more. But it is clear there are various places, and one is the 3.5 percent enriched uranium stockpile won't grow, which is obviously not correct. Another is that disconnecting the tandem cascades would prevent Iran from producing 20 percent, where we know that they originally produced it with single cascades, which was what they would be left with.

So I am left with the impression that the administration doesn't really understand what it has negotiated, and that I find most worrisome.

Ms. ROS-LEHTINEN. Thank you, sir.

Mr. Heinonen?

Mr. HEINONEN. Yes.

About the document and the secret agreement, actually it is not very unusual in this. I think there are similar understandings where at the time of the Agreed Framework with North Korea. So we have seen those before.

When I look at the technical explanations, where this really—especially the White House, I didn't see any reason technically to keep those provisions secret. But there might be some other parts which I just don't know because I have not seen the document and how big it is. But I think it would clarify a lot of areas if it is made public.

Then the second thing, my worries. I think that I mentioned my worries in my opening statement, and particularly really this becomes a kind of final agreement, or agreement which has a long life expectancy, because we really don't get any insight to the content of the Iranian nuclear program with this deal. It is better than what was a year or 2 ago the situation, but it is not the final solution.

And I still want to remind from the verification point of view that every day when the IAEA doesn't have access to this so-called military dimension, it would be more and more difficult for it to verify what actually took place.

Thank you.

Ms. ROS-LEHTINEN. Thank you very much.

And, Mr. Albright, we will have to wait for your statement maybe in another set of questions from my colleagues.

And I would like to encourage our members to please go and read the document. I encourage you to do so.

And before I recognize Ranking Member Deutch, I hear that his older brother is in the front row; is that right?

Mr. DEUTCH. That is correct.

Ms. ROS-LEHTINEN. You told me he was your younger brother.

Thank you so much. Mr. Deutch.

Mr. DEUTCH. Thank you, Madam Chairman. That is one I don't believe that I will live down for a while.

That is right, Ranking Member Sherman points out he does have more hair than his younger brother.

Mr. SHERMAN. Not that I would notice.

Mr. DEUTCH. I wanted to just follow up with Mr. Albright. If I understand correctly, the quote that I referred to in my opening statement about Parchin being a huge site dedicated to the research, development, production of ammunition, rockets, and high explosives, which is owned by Iran's military industry and has hundreds of buildings and test sites, is one that came from your organization; is that correct?

Mr. ALBRIGHT. Yes. We have looked at that quite a bit.

Mr. DEUTCH. So if you could just speak to what is, I think, the crux of all this entire debate. This is not about just the centrifuges that are spinning, this is about how to prevent Iran from acquiring nuclear weapons. And that statement and Parchin seems to be right at the heart of this, and yet we don't yet have the details behind.

Mr. Heinonen, you just alluded to this as well. What do we have to see there? How likely is it for the Iranians to have completely swept clean Parchin? And when we talk about Iran coming clean on the possible military dimensions, what is it that they have to provide; and are there examples of other regimes in similar circumstances who have faced this question, and what have we expected from them?

Mr. ALBRIGHT. I think Parchin, there is a site there that is alleged to have been engaged in high-explosive work related to nuclear weapons development. The IAEA has evidence of it. It asked to go for over 18 months and has been denied. And in that time Iran has significantly modified the site to the point where it may not be possible for them to take environmental sampling and find something.

But I think the key thing is, one, Iran has to allow the visit, and then they have to allow the follow-up. It is not just a visit. I mean, the IAEA will come, they will do things that Iran will have to allow them to do, and then they are going to have to give them access to the people involved, based on IAEA information at least, and answer the basic question, did they do this work.

Mr. DEUTCH. When were the previous inspections?

Mr. ALBRIGHT. They have never been to this building, or to this particular complex. They have been to Parchin, Olli can talk about that, but it was a long time ago, and the information available was much less complete than it is now. And so I think the focus now is on this particular site of high explosives.

Now, you asked there is other sites, too. There are sites involved, workshops that are alleged to have made reentry vehicles prior to 2004. The IAEA has asked to go there in the past and has not been allowed.

So I think in cases where it has worked, Libya, South Africa, the country cooperates, and in that cooperation you can see that it can work out, and that IAEA can do its job. Iran has not shown that level of cooperation.

And so one of the first things to look for, if Iran is going to settle this, is it cooperating, and so that the IAEA is able to get the people, gets the information it needs, and then is able to ask follow-up questions to get to the very bottom of this?

Mr. DEUTCH. But we are not operating in the dark here. We have a list, presumably, and, Mr. Heinonen, I would ask you this as well. We know who we would like—the IAEA knows the people that need to be spoken to, correct?

Mr. ALBRIGHT. Well, they know some, but they won't know the complete list. I mean, it is not possible. I know in the case of South Africa, there were people that you wouldn't have expected who provided important information.

Mr. DEUTCH. But you don't get those other names until you start with the ones that we have.

Mr. ALBRIGHT. That is right. You need to start.

Mr. DEUTCH. So tell us about the discussions that have taken place thus far. Have we identified those individuals that we wish to speak with? And what is the response from—

Mr. ALBRIGHT. Yes, but Olli should really answer the ones they have spoken to.

Mr. DEUTCH. Please.

Mr. HEINONEN. Actually, those discussions are reflected in the IAEA reports, in 2008 March report and then again for the June report of 2008. And at that point in time, when we come to these so-called or possible military dimensions, we have an opportunity to discuss with the first director of that so-called physics research center which Iran had programmed for more than 10 years, but unfortunately he was not able to answer all the questions. And then we wanted to see his successor, which never materialized.

So the IAEA has a good understanding of those; also, about the people who had procured certain equipment which had been used in those experiments; some scientific publications which have been published by these people. So there is quite a good starting point. And then you start to talk, and look at the facts, and go from there and see whom else you might need to be seeing.

Mr. DEUTCH. But is there—if I may, Madam Chair, have we prepared this list and presented it to the Iranians in all of the talks thus far? And is there an acknowledgment that, yes, those are appropriate questions, and we will make sure that these individuals will respond?

Mr. HEINONEN. Well, when you go through an investigative process, you don't give the whole list. You start with the key persons, and then you work your way from there. So I don't think that the IAEA has prepared a very long list at this stage; only the starting point and then go from there. But such kind of list exists.

Mr. DEUTCH. And were those names included in the last report?

Mr. HEINONEN. No, only one name, I think, has been in the reports, because that is another reason the IAEA doesn't want it disclosed for a number of reasons, the names.

Mr. DEUTCH. But that name has been disclosed—

Mr. HEINONEN. Yeah, one name has been disclosed.

Mr. DEUTCH. Since that would certainly be a good place to start, and he has already been identified in the report, has he agreed to engage in these discussions?

Mr. HEINONEN. Yes. We met him, I think, twice. But then at one point in time, then the process got stopped, and we never got to his successor.

Mr. DEUTCH. Madam Chairman, just before I yield back, I hope later in Mr. Heinonen's responses he might be able to elaborate on the comment that he made in his opening statement that in 2003 in the agreement there was much greater access provided than there is today.

Mr. ALBRIGHT. Can I add one thing, though, to add to Olli's answer?

Ms. ROS-LEHTINEN. Go right ahead.

Mr. ALBRIGHT. One is Mohsen Fakhrizadeh has been identified. Olli was talking about Shahmoradi, who ran the physics research center. So there are lists of names that have been made public. And no, I don't think any of them have ever talked about anything to do with the military dimensions. Shahmoradi, correct me if I am wrong, Olli, talked about work he did as a professor at Sharif University, but he didn't talk about the physics research center work.

Ms. ROS-LEHTINEN. Thank you so much. Thank you, Mr. Deutch. And we appreciate the younger brother being here to get you here on time after the votes. Now we know the weapon when Mrs. Deutch is not available.

Judge Poe. That's just the way it is.

Mr. POE. Thank you, Madam Chairman.

I want to say amen to your comments about the deal being public not only for Members of Congress, but for American people as well, since it affects us. I am perplexed why it is not. And I still don't know why it is not.

Iran is the mischief maker in the Middle East. They have the military. Their military is involved in Syria. They support terrorism throughout the world. They are sending rockets to Hezbollah in Lebanon so they can be fired into Israel. They are responsible for the attacks on the Iranian dissidents, the MEK in Iraq, over the last several years.

The Supreme Leader of Iran said that he wants to destroy Israel. He wants to destroy the United States. They are building intercontinental ballistic missiles. They are expanding their conventional war capabilities.

What in the world are we thinking that they want to deal with us and cut back on their nuclear weapon development? What incentive? I mean, they might just not be telling us the truth that they will cut back. I don't think we should believe anything they say.

Contracts, deals are made when both sides agree, and there are inspections, or people act in good faith. The Iranians aren't acting in good faith. I don't see any evidence over the last few years they have ever acted in good faith. Sanctions have worked, and we are now backing off the sanctions. They have to be forced not to be able to build nuclear weapons.

Now, I agree peace is the best answer, negotiations is the best answer. Long term we got to do that. We don't want to be involved in some type of military action, and we have to prevent that from happening. But long term, Mr. Albright, you talked about the long-term situation, we look down the road months, years, it doesn't look too good for the free world as far as nuclear weapons go. I mean these ICBMs, they are being built not to go Israel, but to go west, Europe, go to the United States.

So, Ambassador, and I will let all of you comment on this, long term how are we going to resolve the problem that Iran is determined to have nuclear weapons; what is the answer to that question?

Ambassador WALLACE. I guess I will take a first crack at that big question.

President Obama recently said that somehow if we could have a nuclear deal with Iran, that it would resolve the sectarian tensions that are plaguing the region. I disagree with that strongly, particularly since the nature of this deal seems to not understand their nuclear weapon program.

The U.N. Security Council passed several resolutions saying that Iran must suspend its enrichment and clarified the military aspects that Olli and Mr. Albright were talking about. That hasn't happened. So I think that we are a long way away from getting to a point where we can use this nuclear file in a vacuum to deal with the problems in the region and the like.

And I remain greatly concerned that we seemingly forgot those Security Council resolutions which required suspension of enrichment, required a clarification on military dimension. And in the agreement it says that Iran will have a mutually defined enrichment program in the final deal. I thought that was an unfortunate step.

I don't think that goes a long way to answering your big question, but I want to allow my colleagues time.

Mr. POE. Well, Ambassador, let me ask you this: Is it correct that Iran is developing ICBMs? Is that correct?

Ambassador WALLACE. We have seen a variety of evidence that they are looking at the other aspects of obtaining a nuclear weapon, which is the delivery capacity, the ignition capacity, and the like.

So we have seen a lot of evidence of this. I think there is a really important part of the agreement that hasn't been focused on, which is clarifying these other military aspects of the program. We haven't heard from Iran about this. They haven't clarified that. Those reports are very disturbing.

Mr. POE. Mr. Jones, you want to weigh in on this? Give us the long-range answer.

Mr. JONES. Well, unfortunately I am always the party pooper at these things. I believe the ship has sailed, that it is too late to stop Iran.

Mr. POE. So you think Iran is going to get nuclear weapons.

Mr. JONES. That is correct. And that depresses everyone who hears me talk, but that is what I believe, because, as I said in my statement, I can't see how there is going to be any agreement. I don't see how the sanctions with the Russians, Chinese, the Indians undercutting them are going to do any good. As you correctly pointed out, I am not in favor of getting into yet another war in the Middle East.

Mr. POE. We have got the Saudis and the Israelis working together. Who would have ever thought of this? I mean, the Saudis are worried about the nuclear weapon capability of Iran, of course Israel is, and they are working together and denouncing this deal.

Mr. JONES. It certainly shows the level of the threat and the concern in the region.

Ms. ROS-LEHTINEN. Thank you very much, Judge.

Thank you.

Mr. Sherman is recognized.

Mr. SHERMAN. Thank you.

First, if Iran has nuclear weapons, Americans shouldn't feel that they are safe even if missile defense worked, because you can smuggle a nuclear weapon inside a bale of marijuana.

Second, the best argument for this agreement remaining secret is it must contain wonderful pro-American provisions that hardliners in Iran are unaware of. Unfortunately, and I know the hardliners look to me for advice and information, but we have seen it. It doesn't. So it is peculiar that this agreement is not disclosed.

Nobody wants just one bomb. You are a nuclear power when you have got several and you are confident enough to test one. In July, Iran will have a certain stockpile of enriched uranium. It will have about half its 20 percent enriched, with that being in oxide form. It will have its low-enriched uranium hexafluoride that it has today, and then it will have an additional supply of low-enriched uranium oxide.

Assuming they don't do anything with the yellowcake, they are just looking at the enriched uranium that they will have in July, how many bombs is that enough uranium for once they enrich it to weapons grade?

Mr. Jones?

Mr. JONES. I would estimate around four weapons.

Mr. SHERMAN. Four. Okay. And how long would it take them, knowing that they can spend the next 6 months doing experiments and engineering on their advanced centrifuges, but are not making any more centrifuges, as I understand the agreement, but they have got what they have got, they are learning how to use it better—how long will it take for them to use this stockpile of enriched uranium and make four weapons, assuming breakout?

Mr. JONES. With just what they have got, they get the first weapon in about 2 months; the four weapons, I don't know, probably 4 or 5 months.

Mr. SHERMAN. 4 to 5 months. I will go down the panel. Everybody agree with Mr. Jones?

Ambassador WALLACE. I would.

Mr. SHERMAN. You do agree.

Mr. Heinonen?

Mr. HEINONEN. I would like to add to the picture another part, which is the unknowns. It is easy to talk about this what we see.

Mr. SHERMAN. Right.

Mr. HEINONEN. But the most important thing is to register the amount of unknowns. Are there additional centrifuges? If there are, are there additional stocks? And I think this is where the whole focus—

Mr. SHERMAN. Based on what we do know, and one of the only advantages of this agreement is we are inspecting a few things we hadn't been inspecting before, but answering the question Mr. Jones did, do you agree with him basically four weapons in 4 months?

Mr. HEINONEN. I think it will take longer than 4 months, but the first weapon will be there in 2, 3 months.

Mr. SHERMAN. Okay. And Mr. Albright?

Mr. ALBRIGHT. In terms of the first one, in 2 months, around that, but I think to get to four or five, I would probably just multiply that number by four or five. So you are talking about 8, 10 months.

Mr. SHERMAN. Okay. So you tend to agree first weapon in 2, fourth weapon in 4 to 8.

I would point out that if we lose this game, it is not because of who was calling the plays in the final quarter. We didn't field a team for the first three quarters.

From 1996 to 2010, although this committee did everything possible to pass new sanctions, they were stopped by three successive administrations. Our effective sanctions against Iran began in 2010; their program began 10 years sooner.

We are now committed to this goal-line stand just a few yards from the goal line, and it is not clear which play we could possibly call, but we have got three. We have got the voluntary sanctions, which is what we have now. That is to say we have the sanctions we can get other countries to agree to. Then there are secondary sanctions where you basically threaten a cutoff of world trade if they don't radically change their laws. The Iran Sanctions Act calls for that, but we don't do it. And then finally there is the prospect of military action.

If we took military action, would we be able to turn into rubble the centrifuges at Natanz and Fordow; do I have an answer? Mr. Jones?

Mr. JONES. I discuss that in my written testimony.

Mr. SHERMAN. Uh-huh.

Mr. JONES. Unfortunately, the centrifuges are quite resistant to bombardment because you have at Fordow 96 parallel cascades—

Mr. SHERMAN. Uh-huh.

Mr. JONES [continuing]. That can run. So you certainly you take out some. A bombing raid, and we saw this in World War II, you knock out the utilities, the plant goes down. But how quickly can it get back? And it turns out fairly fast.

Mr. SHERMAN. Let me put up one other thing. And then the final possibility is that we threaten to hit every oil field and industrial and strategic target in Iran if they don't allow Mr. Wallace to go in with 400 experts, along with the entire panel, and just clean out everything.

Ms. ROS-LEHTINEN. Thank you, Mr. Sherman.

Mr. SHERMAN. And I don't think I have time to ask for your comment on that, so you can respond in writing.

Ms. ROS-LEHTINEN. Thank you.

Hold that thought, Olli. Thank you.

Mr. Kinzinger.

Mr. KINZINGER. Thank you, Madam Chair.

And thank you, Mr. Sherman. I thought those were great questions.

And to the panel, thank you for being here. I am having a hard time actually figuring out what the United States got out of this. I mean, you know, the Iranians got a lot. They basically got an im-



plicit right to enrich uranium, and we have allies that are begging us in 3-2-1 agreements to be able to enrich uranium.

We say no to allies, but then to enemies we basically give them the right to enrich uranium as a reward for doing it the wrong way. I mean, I guess I am really having a hard time figuring out anything that the United States gained besides being able, I guess, for the next year to go in front of the American people and say that we won something, but then that will only be proven wrong by history.

This, to me, is like the equivalent of a police officer pulling somebody over for DUI, and the person in the car is saying, well, Mr. Officer, I will be happy to pull over, but you have to let me have the keys in the car with the engine running, and I am not going to get out. And then the officer saying, you know what, that sounds like a fair deal. That is a good deal for me. So I am having a hard time with that.

I also, you know, think back to what happened in North Korea. And I remember the agreement that was hailed as, you know, the peace in our time of the Korean nuclear agreement in North Korea, that they were going to not have a nuclear weapon. And, in fact, I remember reading some of the editorial papers that basically said this was a huge victory against the warhawks and the people that said diplomacy could never work. And then a year later, North Korea has nuclear weapons, and that is something we are dealing with today. And that, I think, is a regime that, as threatening as they are, are probably less threatening than what would happen if the Iranians got nuclear weapons.

And I think of how the sanctions went down even in—and I know Iraq is a touchy subject, so not talking about the war in 2003, but the inspection regime in the 1990s, and this cat-and-mouse game that occurred and everything like that. So I am trying to figure out what the enforcement mechanism on our end and the motivation to prevent Iran from playing the cat-and-mouse game. And the second they do, is this a matter of, okay, well, the deal is off, and we are back to the full sanctions? But I get no indication that that is the case either.

I want to ask the members of the panel both about the North Korean parallel here and something we ought to be concerned with, and your words of wisdom on that. But also, if you think back to when we have used sanctions in the past, times that they have been successful and times that they have not been successful, pulling the trigger on relieving sanctions too early, I think, leads to unsuccess. And so I want to know if any of you all have an example of that, or maybe even a counter example to what I am saying. Maybe pulling the trigger early has helped. And then also discuss the North Korean parallel.

Ambassador, I will start with you.

Ambassador WALLACE. Sure. I will try to get at the sanctions question and leave it to my colleagues on some other previous examples.

Look, I think we did pull the trigger well too early on sanctions here. I am not a sanctions apologist. I run a group that engages in economic pressure and engages in sanctions promotion, but they don't always work. Actually, this committee and this Congress

showed that they were working in the context of Iran. Iran's economy was veering toward the red zone, and I think that we blinked, unfortunately, 4 to 6 months too early.

There are many more examples of sanctions not working historically than they have worked. I would argue that our sanctions on Iran were maybe the most effective, but we unraveled them too quickly. There is no secret here. There are only four tools in the tool shed: Sanctions, diplomacy, a military option, and covert action. A serious foreign policy would engage in all of them. Unfortunately, we just dialed back the sanctions when they were just about to have the great fundamental impact.

Mr. KINZINGER. It is like, in essence, if you look at those old 1980s shows when, you know, the investigator always should punch the bad guy one last time, and you know it, and he walks away and the bad guy gets up.

Mr. Jones.

Ambassador WALLACE. A Roadrunner episode is coming to mind.

Mr. JONES. I want to first say that much of what you said sounds like you were reading off my sheet here.

Mr. KINZINGER. Maybe I was.

Mr. JONES. Thank you.

But on North Korea, I want to point out how these failures are damaging U.S. credibility worldwide. I was discussing Iran with some Canadian intelligence analysts a while ago, and I gave my pessimistic views on Iran, and one of the Canadians said, but the U.S. administration said they are not going to allow Iran to get nuclear weapons. And before I could say anything, one of the other Canadians said, that is what they said about North Korea, too. And these are our friends.

Mr. KINZINGER. Well, and I also think the administration would probably have never said that Fallujah would be taken over by al-Qaeda again when they left, but that is another issue.

I guess maybe briefly the last two. My time has expired, but if you would just real quick.

Mr. HEINONEN. It brings to my mind my discussion in 2003 with my North Korean counterpart when we were kicked once more out from North Korea and I asked, what next? Is it a nuclear weapon? He told me that, Olli, don't worry, we will not build a nuclear weapon. Plutonium is our weapon. Well, we know now what happened, and I think this is exactly the situation with Iran—

Ms. ROS-LEHTINEN. We will have you hold that thought just because, sir, I have to be fair to everybody—

Mr. KINZINGER. Thank you, Madam Chair. I will yield back.

Ms. ROS-LEHTINEN [continuing]. And be equally rude to everyone and cut you off. Thank you.

Mr. Higgins is recognized.

Mr. HIGGINS. Thank you, Madam Chair.

I just want to go back to the elections that brought Rouhani into office. You know, there were six candidates running. Rouhani ran against the policies that created international isolation, he ran against the policies that created sanctions, and then he won the election.

Now, Iranian elections aren't like United States elections. Rouhani could not have won without the Supreme Leader,

Khamenei, willing it. In fact, in Iran if you don't get 50 percent of the vote, there is a runoff. Rouhani got 50.6 percent of the vote. It tells us that either the Supreme Leader is trying to bamboozle the United States into believing that Iran is committed to reform, or that the Supreme Leader is allowing Rouhani an opportunity to negotiate a deal. But the big question is we don't know if it is a deal that we can live with, and we don't know if it is a deal that the international community can live with.

Now, there is three generations of nuclear proliferation in Iran. The first one was basically a glorified national science project. Iran 10 years ago had 164 centrifuges, which is basically the machinery that spins uranium at supersonic speeds to produce weapons-grade fuel. Today Iran has 19,000 centrifuges. It has a multibillion-dollar atomic infrastructure that has given Iran breakout capability, which means that Iran can produce now weapons-grade material before we can detect it and act against it, which is in fundamental conflict with the objectives of the United States, and that is Iran will not get nuclear weapons, not the containment of a nuclear weapon once they get it.

So the objective of prevention may be lost. And in addition to 19,000 centrifuges, Iran also constructed its first heavy-water reactor for plutonium enrichment, another bomb fuel.

There wouldn't be this discussion, and Iran wouldn't be at the table unless we imposed sanctions, because that is the only thing that they respond to. I think if we take sanctions off the table, you take away the leverage, assuming that Rouhani is sincere about this—he ran the nuclear program for 10 years prior to his election as President—and the only leverage we have.

Remember the Iran-Iraq war. They were at war for 8 years. It was basically a stand-off. Nobody won. Khamenei said that upon basically calling a truce, it was like drinking poison from a chalice. Then the United States went in Iraq and did in 3 weeks what Iran couldn't do in 8 years, and guess what Iran stopped doing? Enriching uranium.

So, you know, we have been through this, and I think the United States gets played by leaders in Iraq. They push us away when they are doing well; they pull us in when they are being challenged. Same in Afghanistan and the same in Iran.

I think we need to be very careful as a Nation before we begin to provide relief from sanctions because the Iranian economy is a mess. It dropped 6 percentage points last year. They don't even have the capacity to refine the oil that they produce for so many other countries. Europe stopped buying oil from Iran. China, who continues to buy oil from Iran, said, we will continue to buy it from you so long as it is deeply discounted, which further hurts Iran.

Now, there are 90 million people in that country, the vast majority of whom are under the age of 30. They are sick and tired of these repressive regimes, and because of social media, Twitter, the Internet, YouTube, they see how the rest of the world is living. And the tools of social media are not only used for aspirational purposes and seeing how everybody else is living, but it is used highly effectively for organizational purposes.

Iran was always good at suppression. Tehran is not like New York City, it is like Los Angeles. It is spread out. But the regime

was always good at keeping people down. So I just think that we need to be very, very careful.

I know that I went on a little bit longer here. So I just ask a brief comment.

Ms. ROS-LEHTINEN. Thank you. Maybe we will have them comment in someone else's answers.

Mr. HIGGINS. Okay.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Higgins.

Mr. PERRY is recognized.

Mr. PERRY. Thank you, Madam Chairman.

Gentlemen, just a couple quotes because I think they bear repeating over and over again. And this is a key quote out of Iran earlier in the decade:

"The dilemma was if we offered a complete picture, the picture itself could lead us to the U.N. Security Council, and not providing a complete picture would also be a violation of the resolution, and we could have been referred to the Security Council for not implementing the resolution."

And then the next one just from last week when President Rouhani said, as Judge Poe already indicated, "The Geneva deal means the surrender of big powers before the great Nation of Iran." And in that context it seems to me that all the of the American people, liberals, conservatives, Republicans, Democrats, people that don't care, can see exactly what is happening here, and the only folks that genuinely support this somehow come out of academia with some hope for a better solution that is not based in reality.

My first questions, I guess, would go to Mr. Albright. It seems like you are kind of in favor of the deal, but I just want to get your context. Do you understand it is a deal about nonproliferation? Is that what we are trying to get to? And is it your opinion that it gets us a little closer to nonproliferation? As quickly as you can.

Mr. ALBRIGHT. The goal of the deal is to ensure that Iran does not get nuclear weapons. But again, it is the comprehensive solution that would get this, not the interim deal.

Mr. PERRY. Right. Right. But we don't trust these folks, and they have no reason to have our trust. They haven't done anything to earn it over a period of time.

Mr. ALBRIGHT. That is right.

Mr. PERRY. Now, there is this 3-year study recently published by the Pentagon that intelligence agencies are not yet organized or fully equipped to detect the development of nuclear weapons or the ramping up of existing arsenals in foreign countries. Are you familiar?

Mr. ALBRIGHT. Yes.

Mr. PERRY. So with that in mind—have you ever been to Iran?

Mr. ALBRIGHT. No, I have not.

Mr. PERRY. I mean, you have seen it on a map. It is a big country, right? I mean, it is—

Mr. ALBRIGHT. I have studied it a lot.

Mr. PERRY. Yeah. Hard to find big things and little things in—

Mr. ALBRIGHT. But one thing, that study, you have to remember in Iran the Intelligence Community has done pretty well. It has exposed many secret sites.

Mr. PERRY. Many, which is great. But there is not a lot of margin for error. So do you think the elements of the Joint Action Plan and the implementation agreement can be adequately verified under the current context?

Mr. ALBRIGHT. I think, well, the interim deal is limited steps. Yeah, I think that can be adequately verified. I think many things that are important are not included in that, and in order to verify those, there is going to have to be a great deal of stepped-up verification.

In terms of the Intelligence Community, certainly any efforts to improve their abilities is good, but I would say that on—

Mr. PERRY. But by your own testimony, didn't you already say that earlier this month Iran has already been somewhat intractable and nonresponsive or not interested—

Mr. ALBRIGHT. Well, and that is right. But you asked me if it can be done. I think it can be. And one of the verification conditions is are they cooperating.

Mr. PERRY. Yes. In the context that everything in the world is possible, anything can be done.

Mr. ALBRIGHT. No, no, it is not possible. If Iran is not cooperative, they are not abiding by—

Mr. PERRY. Right.

Mr. ALBRIGHT [continuing]. The verification conditions, then that is an early test of whether they intend—

Mr. PERRY. But again, we are working within the context of there is no—in my mind anyhow, especially if you live in Israel—no margin for error.

Mr. ALBRIGHT. I have lived in Israel. So I think there is plenty of room to design a verification regime.

Mr. PERRY. But you are not in Israel now.

Mr. ALBRIGHT. Well, obviously not. But there is plenty of—

Mr. PERRY. Okay. Okay. So, Ambassador Wallace, have we already moved from prevention to containment?

Ambassador WALLACE. I certainly hope not, but it is certainly looking that way.

Mr. PERRY. How is that measured? Do we know how that is measured?

Ambassador WALLACE. I would just say, particularly with the expertise on this panel, absent countries that fully and 100 percent cooperate, there is no such thing as verification that works.

So we are deluding ourselves in the context of Iran that additional protocol plus—I don't want to speak for my colleagues—is all great to ask for, but absent 100 percent cooperation, verification equals bomb.

Mr. PERRY. Right.

So back to my other question regarding containment or prevention, because we have been told by this administration we are going to prevent, we are going to prevent, we are going to prevent.

Ambassador WALLACE. I have worried about this.

Mr. PERRY. Have we moved to containment?

Ambassador WALLACE. If we had made this deal 10, 15 years ago and locked in at a very early stage of Iranian nuclear program, I would say we aren't containing. Now it sure looks like we are containing.

Mr. PERRY. Mr. Jones.

Mr. JONES. As I said, I think the ship has sailed. We are to containment.

Mr. PERRY. So when did we get to containment, in your opinion?

Mr. JONES. In, I don't know, maybe 2008, 2009. I mean, you know, it was a gradual process as they add more and more.

Mr. PERRY. Could we, if we kept the sanctions present, could we have gotten—if we got to containment in 2008 and 2009 and didn't admit it, if the sanctions would have continued, would we have been able to get back to prevention, in your opinion?

Mr. JONES. Well, if we had the sort of sanctions we are talking about now back then or maybe 2006, I think so. Now I think it is too late.

Mr. PERRY. Thank you. Thank you, gentlemen.

Ms. ROS-LEHTINEN. Thank you very much.

Mr. Schneider.

Mr. SCHNEIDER. Thank you, Madam Chair.

I want to thank the witnesses for being here today, for sharing your insights. I want to thank you for what you all do every day. I don't think a day goes by where I am not reading something from UANI, from ISIS, from Belfer, many days from all three. So thank you.

I have said before, you highlighted here, the Joint Plan of Action is an agreement fraught with dangers, some—Olli, as you said, some known, some unknown. But I thought the point was well taken that the real test of these negotiations is not the Joint Plan of Action, but the final comprehensive agreement, in my words, ending Iran's nuclear ambitions and rolling back and dismantling their nuclear programs, and that is what we have to work towards.

I consider the Joint Plan of Action, it is necessary that it not be allowed, as you have all said, to extend beyond its parameters, ideally 6 months, at the longest 12 months. We just block and then close any and all pathways for Iran to get a nuclear weapon; not just plutonium pathway at the Arak reactor, I believe, the uranium enrichment, both in centrifuges and in laser. And as Mr. Heinonen said, we must address the military aspects. What you said in your testimony, a comprehensive deal can only be reached if uncertainties over Iran's military nuclear capability are addressed. I think that is crucial.

Mr. Albright, you wrapped up your written testimony, and I think it is worth restating. An adequate comprehensive solution will depend on the United States and its allies now making clear to Iran what is required of it, and that this is indeed a pivotal moment.

I guess this is where I come in with my question to you all is as we talk about passing a resolution in the House, extending what we passed last summer on the Nuclear Iran Prevention Act, I am worried that if at 6 months, 12 months we are not quite there, the question will be, the argument will be, don't do more sanctions now because we are close. I am worried that 12 months from now, if we are almost there, but not quite, the argument is going to be we must wait now. I am further worried that as we sit here today, if we can clearly and transparently indicate to the Iranians not just what is expected, but that the sanctions that will follow a failure

of these negotiations will be orders of magnitude greater than what they faced when it brought them to the table back in November, that that makes it easier to stay on this path to peacefully ending the nuclear ambitions.

I guess my question to the panel—and, Mr. Albright, I will start with you—is if the administration—or if the Congress passes a resolution in the House that says this is what we intend to do if we can't go down this path, but we want to stay on the path that will peacefully end in a comprehensive solution, why is that not a good strategy?

Mr. ALBRIGHT. I personally think it is. I think it is important to lay out the criteria that the agreement should reach or should ascribe to; that, in a sense, minimum conditions need to be laid out. I think it would be very useful. I think it would certainly clarify things to Iran. It would also make sure that the administration understands what the minimum conditions are, because, again, in the heat of the moment, there are tendencies to make compromises. So I think Congress has a very important role and hope that it can work to lay down basic conditions the agreement should reach.

And I think the Senate started that in the recent legislation introduced, and that can be extended. And I hope it is done, because Iran is certainly doing it. I mean, it is doing it privately inside of Iran, I am sure, and it is doing it publicly.

Mr. SCHNEIDER. Ambassador Wallace.

Ambassador WALLACE. Remember what we are talking about here. We are saying we are not going to do business with you. We are going to close our pocketbook. We are not invading them. We are just simply saying, we don't like your policy. We are going to close our pocketbook. Somehow that is being turned into warmongering. Somehow that is in debate.

I don't know about you all, but if somebody does something that I don't like, I don't want to do business with them. We shouldn't do business with Iran. That is what we are debating here. Is that so controversial? We cannot allow partisanship to enter this debate and say that we are somehow warmongering because we don't want to open our pocketbook.

Mr. SCHNEIDER. Mr. Heinonen.

Mr. HEINONEN. Actually I agree with what both of these gentlemen say, but in a somewhat a different way, if I may say so. First of all, I think it is important to put the red lines there and say what the United States of America wants from Iran. That needs to be a clear-cut message, because Iran says at the same time, no one centrifuge will be dismantled; we won't quit building our reactor. So it is important for the discussion. But having said that—

Ms. ROS-LEHTINEN. Having said that, I am going to interrupt you yet again. I am rather disciplined with the time, because we are going to be voting, and then members won't have the time. Thank you, sir.

Mr. DeSantis, my Florida colleague.

Mr. DESANTIS. Thank you, Madam Chairwoman, and thanks to the witnesses.

Ambassador Wallace, I appreciate that last comment. I mean, when I am hearing these things and people say that trying to move

forward with sanctions is tantamount to saying that we need to invade Iran to me is just not acceptable.

The President said not too long ago that he thought the chance of a deal actually succeeding was about 50/50, and, to me, I was really alarmed by that. I mean, here is the guy who is supposed to believe in what they are doing, and he still thinks it is essentially a coin toss.

It just seems to me that understanding the nature of this regime, we may never be able to actually have an agreement that works, just given who they are, but why would you go easy on sanctions? Seems to me the way would be to apply more pressure on them, show them that we are serious about this, and maybe they would be able to reevaluate whether it is actually in their interests.

And it has been mentioned earlier, but some of these military sites likes Parchin, you know, Ambassador Wallace, it doesn't seem to me that we would be able to really monitor what goes on there.

Ambassador WALLACE. You are right. Absent cooperation, we wouldn't be able to.

I want to give some of my time to Olli because he was cut off a couple of times. But I was talking about sanctions previously and how wonderful in a bipartisan way this committee and other Members of Congress have said what sanctions should be. Now I respectfully implore you all to say what are your red lines on enrichment, on the heavy-water reactor and the like. Olli was about to refer to that, I think, in his testimony, but I have had the privilege of testifying before you all many times. I have never asked something of you like this, but please, each one of you should go on the record with the President, the future President, as to what your red lines are. That is important that Congress speak with a unified voice. I beg you to do that.

I defer to Olli. Olli, you need to get in there.

Mr. HEINONEN. Thank you.

What I wanted to say that it is not totally about the United States of America. It is also about the unity of the international community, and more needs to be invested to P5+1 and get the Russians and Chinese fully behind it, because without them the sanctions won't be a success.

Mr. DESANTIS. So in terms of—and I think that is true in terms of what our red lines are. It seemed to me that the United Nations had always said that Iran wasn't going to be the able to enrich, and now it is like, well, you know, you know, well, you can enrich.

So I think the red line for Congress should be no enrichment. I think that is the only way that we can have a somewhat degree of certainty that this is something that we can prevent from happening in terms of them having a nuclear weapon.

One thing that is odd about this whole agreement and these negotiations is nobody is talking about, within the context of this, terrorism and Iran's role in international terrorism, and I worry. They are a leading state sponsor of terrorism. They have committed terrorist acts against the United States going back from the Embassy takeover to Beirut, which they were involved in. They were attacking our service members in Iraq with EFPs. So how can it be that we are just kind of just acting like the terrorism aspect doesn't



exist? This seems to me to be a very serious shortcoming for this agreement. Does anyone want to weigh in on that?

Mr. ALBRIGHT. Let me just say, I think—I have worked on many agreements. I mean, typically the nuclear is roped off. I mean, that has been the tradition, but it doesn't mean that the terrorism issue can be let lie unsettled. And I think Congress is going to have to face—in reviewing the lifting of sanctions, it will have to review that condition. My understanding is that is part of the law. So I think the administration eventually is going to have to answer how it is going to deal with that.

But traditionally these nuclear deals are done in—I don't want to say in isolation, but done as cutouts in a sense. And it would be up to, in a sense, oversight to decide whether that is enough to remove sanctions.

Mr. DESANTIS. I just wonder whether that model is applicable to a regime like this that would have been to maybe some of these other nuclear powers, and, of course, we have had negotiations with countries like North Korea that have ended up backfiring on us. So I appreciate that, but I still have a lot of concerns.

So Mr. Jones, I mean, what would you recommend? You say, hey, the cat is out of the bag. So what should we be doing in Congress if we are somebody who is concerned about this regime possessing nuclear weapons? You seem to think that we are not going to be able to prevent that at this point, so what should our response in Congress be?

Mr. JONES. I am not sure other than to look at the problem more broadly. I mean, look down the road to prevent further Iran. We have had a string of failures: Pakistan, North Korea, Iran. We are looking at possibly now Saudi Arabia, even Turkey, suddenly showing interest.

Ms. ROS-LEHTINEN. Thank you, Mr. Jones.

Thank you, Mr. DeSantis.

And Mr. Vargas.

Mr. VARGAS. Thank you very much, Madam Chairwoman. Again, thank you for holding this hearing. I appreciate it. And thank you to the witnesses.

I am usually a rather optimistic person, but I am not optimistic at all, and I continue to think that this interim deal was a mistake. In fact, I think it was a terrible mistake. And I hope that I am wrong, but I continue to think it was a mistake.

I think we are naive in these negotiations. I think that this notion that these are just a tiny easing of the sanctions I think is wrong-headed; in fact, just the opposite, I think, that this easing of the sanctions is, in fact, going to allow their economy to blossom and to take off. I think it is a terrible mistake, and it is going to be very hard, I think, afterwards to try to put the genie back in the bottle and get these sanctions going once again.

And another thing that I am very fearful of, I think the 6 months is going to turn into a year, and then they are going to ask for more time, and aren't we close, and it is going to continue to slide and to be more and more problematic.

And, in fact, I think all we have to do is really listen to the Iranians themselves on what they are saying. I mean, Iran's leaders recently made it very clear that they have no intention of coming

into compliance with the international obligations in the nuclear arena. I don't think they have any intention.

In fact, I would like to read a transcript very quickly here from Fareed Zakaria, who is the host of CNN, and Rouhani: "Iran will absolutely retain its enrichment?" That is what Fareed asked. And this is Rouhani responding: "It is our national pride, and nuclear technology has become indigenous. And recently we have managed to secure very considerable prowess with regards to the fabrication of centrifuges. We will not accept any limitations."

So Zakaria asked him again, "So there will be no destruction of centrifuges or existing centrifuges?"

Rouhani: "No, not at all."

I think they have made it very clear where they want to go with this. He goes on. They asked him later if it is for a nuclear weapon and he says, "No, no, of course not."

He says, "And to know that when, from a religious point of view, religious leaders, to be more specific, the great and eminent leader of the revolution, announces and states that the fabrication and the stockpiling of nuclear weapons is haram, religiously forbidden, this should tell you that we don't want to build a bomb."

And yet, everything they have done is to build a bomb. Everything they have done. Does anyone disagree with that? Does anyone believe that what they have been doing so far has been, in fact, for peaceful purposes? Does anyone there? Nobody?

Yes, sir.

Mr. JONES. Can I add just one thing because that interview was very important. And one thing that didn't get quite explicated is Rouhani also said that he wants 20,000 megawatts of nuclear power and for Iran to provide the fuel for this. Well, I did some quick math. That is like 1 million or 2 million centrifuges, not 19,000. So that gives you an idea of what the Iranian view of this is. Thank you.

Mr. VARGAS. No, thank you. And I appreciate that. And I do think that—unfortunately, that we eased up on sanctions right when they were starting to work. Because I do think that we should have put the real question to them, do you want an economy, or do you want a nuclear weapons program? And I think tightening down the sanctions was the right way to go, and I think that it was finally working, and easing up now is going to be just the opposite. It is going to be so much harder now to get things back on track.

I would like to ask you, Ambassador, about that. What do you think? And I know that you do this every day, but I would like to hear you again on this.

Ambassador WALLACE. Sure. I thank you.

I prepared a quick chart for this. Congressman Deutch and I talked about this. But this shows sort of the oil production that is happening now on a daily basis in Iran, around \$1.2 billion a day, and presumably going up. This green line shows where it would go down to, which would be about 334,000 barrels a day, assuming a trending out over the course of the year.

The next time the administration says that it is truly only \$6 billion or \$7 billion of sanctions relief, ask them this question: \$27 billion alone just on oil sales, not even getting to the Iranian auto in-

dustry and the other sectors. I think this is a very powerful indication of what the sanctions relief is all about.

Mr. VARGAS. Anyone else like to comment on that? Because I guess my point would be it is not so much just the \$6 billion; I think it is more than that. An economy looks at confidence; you know, is there confidence in the economy to take off. And I think that is the problem here; that all of a sudden the world has confidence that these sanctions are going to be lifted. That is why their economy is taking off. It is going to be very hard to impose sanctions once again.

Yes, sir.

Mr. ALBRIGHT. Yeah, I think that—maybe I am by nature an optimist, but the thing to me that seems imminent or urgent to do is to send a signal that the sanctions are going to be fully enforced, and they are going to be strengthened if time clock—

Ms. ROS-LEHTINEN. Thank you very much, and I am going to be a disciplinarian. We are going to cut it down to 4 minutes so that we can all get our questions in. And I apologize.

Mr. Weber is next.

Mr. WEBER. Can you cut it down on the next person? Can you cut it down on the next person, Madam Chair?

Ms. ROS-LEHTINEN. Yes, of course I can. Thank you. Go ahead.

Mr. WEBER. All right. To any of you all on the panel, does November 4, 1979, ring a bell? That is the day that they took hostages, Iran did, at our U.S. Embassy. Do you know how long they held them for? Four hundred and forty-four days.

Now, so November the 4th will be the 35th anniversary of that hostage taking. They have been exporting terrorism for almost 35 years. I am going to follow up on what Adam Kinzinger said when he said, what is the U.S. getting for this? They have been exporting terrorism forever, and what are we getting out of this? We are getting told that, as Mr. Wallace said, that we are somehow warmongers because we want to strengthen those sanctions, because we want to make them come to the table and negotiate, and they are about to do that.

So you all work with me here. Any of you all think that 35 years is a long time? Simply a yes-or-no question?

Ambassador WALLACE. That is the easiest one I have had in a long time. That is a long time.

Mr. WEBER. You all will agree that—is 444 days a long time?

Mr. JONES. If you are a hostage, yeah.

Mr. WEBER. It is a long time, isn't it?

Now, do you agree with Brad Sherman's comments that "the first three-quarters of this game, we have been missing in action, that we are down to the goal line stance"? Do you all agree with that? I am getting a no from Albright, I am getting two over here, and the guy in the green is just kind of contemplating that. He is not admitting to anything.

But here is the point. If we continue to hold them under sanctions for 444 days, we haven't taken their hostages. We haven't had an act of violence take them by violence. So if we make them toe that line, then we can't be accused of being violent or being oppressive.

By their own words, they want to wipe America and Israel off the face of the map. Now, have we threatened to wipe Iran off the face of the map, anybody? Have we threatened to wipe Israel?

Mr. Albright, you lived in Israel. Do you have any family living there now?

Mr. ALBRIGHT. No.

Mr. WEBER. Okay. Mr. Wallace, you said that 100 percent cooperation was needed, and we would know that pretty quick if we are not going to get that in verification. Should we give them 444 days?

Ambassador WALLACE. I am very skeptical. They haven't shown any indication they want to cooperate, and there is no verification without cooperation.

Mr. WEBER. Excuse me. Mr. Albright, you said we ought to lay out minimum conditions earlier in the negotiations. And the man in the green, and I can't pronounce your name, you said we ought to have a red line. We don't have a real good track record on red lines right now. Would you be in favor of military action if those red lines are passed? Would it be one of the conditions, Mr. Albright?

Mr. ALBRIGHT. For the red lines on the comprehensive solution, no, no, of course not. The red line that has been articulated by President Obama is that they be prevented from getting a nuclear weapon.

Mr. WEBER. Yeah, well, since they saw us bomb Syria, with President Obama's red line, they know how serious we are.

Mr. ALBRIGHT. Well, the threat of military strikes has to be credible, and the U.S. is going to have to reestablish that credibility if it wants to deal with Iran.

Mr. WEBER. Yeah, well, we don't have a lot of credibility with the threat of red lines. I am just——

Mr. ALBRIGHT. Well, Syria is not Iran.

Mr. WEBER. Well, I understand that.

Mr. ALBRIGHT. I mean, we didn't have a lot of vested interest in the——

Mr. WEBER. Mr. Schneider, I am going to follow up on what he said. In 12 months we don't want them coming back and saying, look, we are almost there. No more sanctions.

Do any of you all think that Iran is going to be serious and that we have 12 months, or are we going to have two bombs, four bombs in 12 months?

Would you want to go over and live in Israel, Mr. Albright, right now?

Mr. ALBRIGHT. I would, and I don't think that——

Mr. WEBER. Okay. Well, we are going to miss you.

Mr. ALBRIGHT. Yeah.

Mr. WEBER. The guy in the green. Would you live over there? Anybody else?

Ms. ROS-LEHTINEN. Well, we are done. Thank you so much. You had the full 5 minutes.

Mr. WEBER. Thank you.

Ms. ROS-LEHTINEN. And Ms. Frankel is recognized. Thank you.

Ms. FRANKEL. Thank you, Madam Chair, and thank you so much for bringing this diverse panel. And really, this is very complicated,

at least it is to me. Some of these other folks see it more simple, but I think we all agree that Iran should not be allowed to obtain a nuclear weapon, although, Mr. Jones, you think they already have one.

Mr. JONES. Yes.

Ms. FRANKEL. Okay. So you agree they shouldn't have been allowed, but that is too late. The three of you, the rest of you, think they don't have a nuclear weapon, or you are not sure.

Mr. ALBRIGHT. They do not.

Ms. FRANKEL. You think they do not?

Ambassador WALLACE. They do not, but they have the capability within 2 or 3 months of breaking out with that ability to have a nuclear weapon.

Ms. FRANKEL. Okay. And I think everybody here pretty much agrees that the interim agreement should not be the long-term agreement, right?

Ambassador WALLACE. Absolutely.

Ms. FRANKEL. Right? But logic does tell me that, you know, in a give-and-take situation, Iran would eventually want all of the sanctions relieved; is that right?

Ambassador WALLACE. I think they already have that. I think—

Ms. FRANKEL. You think they have all the—okay.

Ambassador WALLACE. I think that their sanctions relief is far greater than what meets the eye. Their economy is booming right now, coming back very strongly. Certainly we could lift other sanctions, but we have to send a message that more sanctions are coming to stop that growth in the Iranian economy. That is a key thing that this committee can participate in.

Ms. FRANKEL. Okay. So we would expect them to go further, give up something further than what is in the interim agreement in order to get further relief.

Mr. JONES. Well, remember, the current agreement says that when we finally get done, there is not going to be any restrictions on Iran at all. They are going to be treated like any other non-nuclear-weapon party to the NPT. That means they are scot-free at that point.

Mr. ALBRIGHT. Well, not exactly. I mean, I would expect embargoes on military goods. I mean, there would be counterproliferation sanctions. And again, we are talking—if this works as the administration has outlined, we are talking about a deal that is extremely restrictive of its nuclear program, and the conditions last 20 years. They have dealt with the IAEA concerns. Their weaponization or past weaponization infrastructure is under verification. They have shown cooperation. So I think it is—when the sanctions would come off, Iran would have had to have met many, many conditions. And so it is not at all like the interim deal.

Ms. FRANKEL. And, Mr. Jones, do you rule out or do you advocate any kind of military action?

Mr. JONES. No. I think it would take a full-scale war with Iran, and I don't see that the U.S. is in any position to embark on such a war at this point, which is why I think there is nothing we can do. I mean, if we could take military action, then Iran wouldn't have nuclear weapons, or wouldn't have them for long.

Ms. FRANKEL. Okay. So it is very easy to be the Monday-morning quarterback. So let me just—it is what it is right now. Could you each—my last question is what do you recommend we do next, given the situation?

Ambassador WALLACE. Six months from the adoption of the interim agreement, this Congress should make clear that Iran will face the most robust sanctions in history, and its oil sales will go down to nearly zero, its auto industry will not be able to function, and their economy will cease to exist. That is the message the committee must send in order for Iran to dial back its nuclear program, which is a requirement, in my opinion, for a final deal.

Mr. JONES. Well, I don't believe the sanctions are going to be nearly that effective. The Russians have already said they are going to negotiate a barter arrangement to launder Iranian oil. I think the Iranians have options. The Indians have helped them as well; so have the Chinese. I am not optimistic.

Mr. ALBRIGHT. You know, I think it is important to articulate what a comprehensive solution would look like, if you want zero enrichment articulated, if you want—

Ms. ROS-LEHTINEN. Thank you so very much. I appreciate it.

Mr. Cook.

Mr. COOK. Thank you, Madam Chair.

Ambassador Wallace, I really appreciate what you say about sanctions. I actually believe in them, too. There are always variables that are associated with them. You know, my background, I was in the military for quite a while, 26 years, and we always said the NATO scenario—this is back in the Cold War time, and, you know, the threat was always the Soviet Union for nuclear war. And after the wall came down, we have never had those similar scenarios, and now it has kind of changed completely with what is going on with North Korea and, obviously, Iran.

In your opinion, how close, in your opinion, anyone, do you think that Iran would—I think we all agree that they are going to get the bomb, and many of them. Would they use it, or is that just a threat?

Ambassador WALLACE. I think one of the greatest dangers of Iran going nuclear are the incredible sectarian tensions that are plaguing that region right now and the fact that we will have a nuclear arms race in the region. We will take the most volatile region in the world and we will make it more volatile and nuclear volatile. And if it were me as a leader, if I were a leader of one of those countries, the ayatollah and others have said that they could conceivably use these types of weapons before, I think you have to take them at their word. I think you have to take it quite seriously.

Mr. COOK. Before you answer any more, the reaction of other countries. Let's just go with the scenario that they have the nuclear bomb. We are talking about Saudi Arabia, some of the other Arab States; Arab, you know, Persian, Iranian, the animosity between them. Do you foresee many other countries that would be very eager to do exactly what Iran did just because of what happened? Any suggestions on what countries would acquire the bomb in that region?

Ambassador WALLACE. I think it is very clear that other countries in the region, again, playing along the sectarian lines, would seek to go nuclear. It might take them a little bit of time.

Mr. COOK. Which ones?

Ambassador WALLACE. Saudi Arabia.

Mr. COOK. Anyone else?

Ambassador WALLACE. I think the Emirates. I think Turkey, Egypt, a variety of countries in the region.

Mr. COOK. So as many as perhaps six?

Ambassador WALLACE. All of them.

Mr. COOK. Okay. Does the panel share that opinion?

Mr. JONES. I am not sure I think quite so high, but I would also point outside the region. I mean, with North Korea, and if the general regime starts to collapse, I think we could be talking about South Korea, Japan. I mean, I think this problem is broader than the Middle East.

Mr. COOK. And then the possibility for use of a nuclear attack from a mathematical standpoint, if you do the math, which is very, very scary, there would be some kind of event, as opposed to when I was in the Cold War, it was limited to just a few powers.

Mr. JONES. Well, certainly, I am already, frankly, quite concerned about Pakistan. I mean, it looks like at various points Pakistan might just dissolve and break into some sort of Islamist sectarian fight, and who knows who would wind up with the weapon. Same thing with North Korea.

Mr. COOK. I just wanted to—

Mr. ALBRIGHT. I think it shows why it is so important to prevent Iran from getting nuclear weapons.

Mr. COOK. And I agree with you, and I just—you know, trust and verify, and going down this road, it shows just how naive we are, and the consequences are enormous. And I hope this body here, which seems to be one of the few that is addressing this, will continue to fight for that action.

Thank you, Madam Chair, I yield.

Ms. ROS-LEHTINEN. Thank you very much. And although votes have started, we have two more members who are going to ask questions, so we are fine with the time. I didn't cut anyone off.

Mr. Connolly is recognized.

Mr. CONNOLLY. Thank you, Madam Chairman. And welcome to the panel.

My colleague just referred to naivete. I am not sure what he was referring to. To support an interim agreement that is supported by a number of the players, main players, trying to get Iran to desist might be wisdom rather than naivete. We don't know yet.

Mr. Heinonen, were you involved at IAEA in any of the negotiations with Iran, or discussions with Iran, or verification experiences with Iran?

Mr. HEINONEN. Yes, I was, indeed. I visited a number of times there, maybe 20, 30 times.

Mr. CONNOLLY. Is it your impression, based on that experience, that Iran is hellbent on getting nuclear weapons, and that an interim agreement such as the one successfully negotiated is merely a stalling tactic until they reach their ultimate goal?

Mr. HEINONEN. I think there is one more scenario here, and this is that Iran pushed its enrichment capability to such a level that it is not in—breaking its safeguards obligation, but may not be in the spirit of the NPT. And this will be the most difficult situation for the international community to handle.

Mr. CONNOLLY. Were you surprised, based on your knowledge and experience in Iran, that they agreed to this interim agreement?

Mr. HEINONEN. No, I was not surprised, because I have seen them following this partial, small deal, small step at a time, agree on something, and then back off and agree again. So this is in the pattern. But now we need to break this pattern, and this is for the red lines that the resolutions and in my mind comes to the picture.

Mr. CONNOLLY. Ambassador Wallace, you talked about the complete shut-down of their economy. One wonders whether that is possible, but certainly their economy has hurt. Based on fairly—about—I mean, I am old enough to remember sanctions going way back on all kinds of countries, and with a spotty record. I mean, sometimes sanctions work pretty well, sometimes they don't. And it is not clear to me that they are always an efficacious tool of foreign policy, but they certainly are a tool available to us, and in this case it looks like it has had a desired effect.

I assume that your concern is that, with the best of intentions with an interim agreement, that we take our foot off that pedal a little bit and ease back on sanctions, if not the United States, others, and that that obviously would be a counterproductive development until we see their performance in this agreement and their willingness to now finalize an agreement 6 months hence.

Ambassador WALLACE. I think that is right, Congressman. My concern is not just the foot off the gas, though, but I think we really dialed back the sanctions regime, and their economy is flourishing. We measure their currency, we measure their inflation, we measure their stock market, and it is booming. And I am concerned that the very little concessions that we got, no real rollback was met with a dramatic rollback of the economic pressure so that they had an economic boom to their economy. And I think my concern is, and I am certainly being effusive, you can't shut down their economy. We can certainly get their oil sales down to a few hundred thousand barrels, and we should try.

Mr. CONNOLLY. But until very recently, all of the reports I saw were that they were having trouble moving their oil in international markets.

Ambassador WALLACE. The low point was about 761,000 barrels a day. Right now it has already gone up to 1.2 million barrels a day and even higher.

Mr. CONNOLLY. Excuse me for interrupting, but is that because of some of the carve-outs in the agreement for India, for example, and some others?

Ambassador WALLACE. It has been—actually if the carve-outs were kept in place, the reduction of oil sales would go down to about 334,000 barrels. Right now we are on a trajectory of between 1.2-plus over the course of this year. That was in anticipation of the agreement and the agreement itself. So you have seen a huge economic windfall for the Iranians.



Mr. CONNOLLY. My time is up. Thank you, Madam Chairman. Thank you.

Ms. ROS-LEHTINEN. And you are an ex-Senate staffer. You forgot.

Mr. CONNOLLY. It is not something I bring attention to, but—

Ms. ROS-LEHTINEN. Inside joke here.

And to wrap up, Mr. Collins, I am expecting big things from you.

Mr. COLLINS. Well, we thank you for being here, and we will get to it. Thank you, Madam Chair.

Look, I think the interesting comments right there in just that last conversation was Iran would take a little, and then they would back up, take a little and back up. And then Mr. Wallace just pointed out they are now—and now their economy is doing well. It is even more incentive just to back up and say, well, we can't get there right now. Can we get a little more time? And I think that is the concern that most of us have here is the sense of, as has been said earlier—and I am not going to rehash it, because I have got a more specific question—when you look at it, we, frankly, did not get anything from this. They got what they were looking for, and I think the only reason we got to the place to start with was the sanctions were having an effect. So we have to look at it from a different perspective.

I want to get a little more technical, and anyone can answer this question. Three basic steps needed to produce a nuclear weapon. You know, a primary fissile material, sufficient quantity and quality for the nuclear device. You have to have a weapon that will survive a nuclear warhead and produce an effective means for delivering the weapon. So I have a question. What is known of Iran's development of the delivery method for a nuclear warhead, and what type of delivery mechanism would be needed to develop to target Israel or the U.S.?

Mr. ALBRIGHT. Their ballistic missile capability is pretty robust. What is not known, do they have the ability to put a warhead on that ballistic missile, and there are divisions whether they can actually do that.

Mr. COLLINS. Okay.

Mr. ALBRIGHT. Eventually, they would be able to if they went down that route.

Mr. COLLINS. Right.

Mr. ALBRIGHT. Can I say, though, I don't think we got nothing for this deal. I mean, I don't want to get into a debate. I am sure you did last week with the administration, but we did get something, and so I think that has to be—

Mr. COLLINS. Messed over I think would be a good—

Mr. ALBRIGHT. No, I think progress was stopped. Freeze is worth something. And so I think there were benefits to this deal, and we can argue the value in terms of sanctions, and I think we are all worried about the sanctions slipping more than the administration intended.

Mr. COLLINS. No, actually I am not worried as much about a sanction. I am worried about a nuclear Iran.

Mr. ALBRIGHT. Well, I think we all are.

Mr. COLLINS. I think we are in disagreement in understanding what that—and I will happily, you know, concede your point and my point—but I think one of the things that is of concern here is

if we are looking toward this, let's look at the overall of the pattern of what is developed. You have an opinion that it worked; I have an opinion that it doesn't. And I think the concern is that a nuclear Iran that has this capability here which I am concerned about from an actual projection and actual use of a nuclear material to actually provide a warhead that actually can be used against Israel and actually be used against the United States. That is my question.

Mr. ALBRIGHT. Yeah.

Mr. COLLINS. And my next question, if targeted with a nuclear warhead, what deterrent, if any, does Israel have?

Mr. ALBRIGHT. Israel is in a bad situation. I mean, it is a nation that one or two nuclear weapons, if they had sufficient yield, can almost end its existence. I mean, for Israel, it truly is an existential threat, and I think we would argue that we have to work harder together to keep Iran from getting nuclear weapons.

Mr. COLLINS. You also have to agree, and from your end it is not just a threat to Israel, it is a threat to us. We have assets in that region that we can't overlook. We think about Israel, and other members of this committee have worked very hard on our partnership with Israel and helping Israel, but we also can't just neglect ourselves from this. We have assets. I served in Iraq. We still have got military people there. This is something we can't do—take apart.

Ambassador WALLACE. Congressman, you are right, and since, as you know, you served in Iraq, most of the various site casualties that occurred in Iraq were as a result of Iranian meddling. Right now nothing—one big absence in this hearing was Iran's role in Syria. Many, many, if not a vast majority of the casualties that are occurring are occurring as the result of Iranian largesse of arms and money. So we haven't even touched on that part of the Iranian—I don't think we mentioned Syria one time in terms of Iran's support of Syria in this hearing.

Mr. COLLINS. Well, and how much they got out of this deal—you are talking about who lost—I think that is an issue that does need to be discussed and the amount of money they have now that they could funnel into Syria.

Ms. ROS-LEHTINEN. Thank you, Mr. Collins.

But now the Florida contingent is really the best. Dr. Yoho, you are recognized.

Mr. COLLINS. Go, dog.

Dr. YOH0. Thank you, Madam Chair. I appreciate it. I appreciate you guys' patience.

Mr. Jones, you said, I feel Iran will get nuclear weapons, and that is something I have talked about before in these panels. In fact, we had Ambassador Bolton here, and he said that we can't allow that to happen, but yet our sanctions have been going on since pretty much 1979 at different levels. You know, they started off, you know, more mild, you know, we froze some bank accounts, and now we have gone all the way to where we prevented oil from being sold out of that country. And we have put these sanctions in place since 1979. Yet, from what I am hearing from the four of you is within a year, I think, if I understood this right, they are going to have five to six nuclear weapons despite our sanctions.

So my question is the sanctions, you know, I know they were well intended, but they don't seem to have worked, so what else can we do? And, Mr. Albright, you brought up that we need to work together, and I assume with our allies, to prevent Iran from getting a nuclear weapon.

Number one, Mr. Jones, I ask you, do you feel like they are going to have these weapons regardless?

Mr. JONES. I feel like regardless, but not necessarily in the near term. We should think of like Pakistan that developed these weapons in the late 1980s, but it wasn't until 1998 that they actually tested. I mean, most of these countries take a long view. I think Washington tends to be sort of too myopic on some of this material.

Also, just on the sanctions, I would like to point out, as Ambassador Wallace has said, sanctions have certainly hurt Iran. But Iran hasn't stopped, and, to me, that flips around the other way. It shows how interested and how determined the Iranians are to move forward and not give up.

Dr. YOHO. Well, and then if you go back and watch over the last 25, 30 years, there has been a cat-and-mouse game where they are building them; no they are not; yes, they are; you know, and we all proved that, yes, they are enriching. And, I mean, if you look over the last 10 years, they have gone from a few centrifuges to over 19,000.

Mr. Albright, what you were talking about, how do we prevent this? I mean, what is your idea of preventing them from getting a nuclear weapon?

Mr. ALBRIGHT. Not possessing one at all.

Dr. YOHO. But how do you do that?

Mr. ALBRIGHT. I think that what the priority is now is to make sure that Iran is tested on whether it is going to accept very serious limitations on its nuclear program and accept verification requirements that allow an adequate job to be done so that early detection is guaranteed, and there is time for a response. So I think that is what needs to be done now, and there is a clock ticking that this can't be extended.

Dr. YOHO. Yeah, I see that clock ticking since 1979. We have been working to prevent that, but, you know, I just heard you guys say there was four to five bombs they will have the capacity to build within a year. And so we can watch them for another 6 months, another 6 years. My feeling, like Mr. Jones said, is they are going to get one, and what I would like to focus on, what do we do looking forward, and how are we going to deal with it?

Mr. ALBRIGHT. Well, one is I think we don't have to worry as much now about them getting four to five bombs in the next year because of this Joint Plan of Action; that it did buy time; that it removes some of the pressure.

Dr. YOHO. But earlier on today you just said, you know, it was going to be about a year, and they would have four to five bombs is what I understood.

Mr. ALBRIGHT. That is if they want to do it. I mean, it was a theoretical question if they want to do it. I think the Joint Plan of Action has bought us time where I don't think they are going to try to do it in the next 6 months or a year if it is extended. So I think that is an advantage of this deal.

Dr. YOHO. What can we do? If we look back retrospectively on sanctions, how can we handle this differently in the future going forward, other than sanctions? I mean, I think the diplomacy is the big thing we need to do, and I also think we need to prepare. Like you said, Pakistan went ahead and developed bombs. India has them. North Korea has them. I think we need to have a different policy in place for when they do get one. How are we going to handle that, Mr. Heinonen?

Mr. HEINONEN. I think the focus needs to be moved somewhere else, particularly for this so-called military dominance. If we all the time put all of the efforts on the enrichment program only, it is like a chain where you try to improve the strength of a chain by improving one ring. But the rest of the rings you leave, so never the chain will then be strong. So there is a need for refocus, and for really to that part find what is there, what is going on, and then dismantle single-use and multiuse capabilities.

Mr. ALBRIGHT. No, and I agree with that. I mean, it is really—the ultimate tests, are they going to come clean about nuclear weapons? And if they didn't work on nuclear weapons, are they going to provide the information to convince people that that is the case? And that can be tested quickly.

Dr. YOHO. Madam Chair—

Ms. ROS-LEHTINEN. Thank you.

Dr. YOHO. Thank you. Thank you, guys. I appreciate your time.

Ms. ROS-LEHTINEN. Mr. Heinonen, I finally let you finish an answer. Not bad, 1 out of 25.

Thank you so much, panelists, for excellent testimony, thank you to all of the members for wonderful questions, and thank you for the audience and the press for covering this. And with that, our subcommittees have adjourned, and zero seconds to get to the floor. No problem.

[Whereupon, at 4:55 p.m., the subcommittees were adjourned.]

## A P P E N D I X

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MATERIAL SUBMITTED FOR THE RECORD

**JOINT SUBCOMMITTEE HEARING NOTICE**  
**COMMITTEE ON FOREIGN AFFAIRS**  
U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, DC 20515-6128

**Subcommittee on the Middle East and North Africa**  
**Ileana Ros-Lehtinen (R-FL), Chairman**

**Subcommittee on Terrorism, Nonproliferation, and Trade**  
**Ted Poe (R-TX), Chairman**

January 21, 2014

**TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS**

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs to be held jointly by the Subcommittee on the Middle East and North Africa and the Subcommittee on Terrorism, Nonproliferation, and Trade, in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at [www.foreignaffairs.house.gov](http://www.foreignaffairs.house.gov)):

**DATE:** Tuesday, January 28, 2014

**TIME:** 2:00 p.m.

**SUBJECT:** Implementation of the Iran Nuclear Deal

**WITNESSES:** The Honorable Mark D. Wallace  
Chief Executive Officer  
United Against Nuclear Iran  
(Former United States Ambassador to the United Nations)


Mr. Gregory S. Jones  
Senior Researcher  
Nonproliferation Policy Education Center

Mr. Olli Heinonen  
Senior Fellow  
Belfer Center for Science and International Affairs  
Harvard University  
(Former Deputy Director General of the International Atomic Energy Agency)

Mr. David Albright  
Founder and President  
Institute for Science and International Security

**By Direction of the Chairman**

*The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-5921 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.*



## COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON MENA/TNT HEARINGDay Tuesday Date 01/28/14 Room Room 2172Starting Time 2:00 p.m. Ending Time 4:56 p.m.Recesses 1 (2:33 to 3:15) (\_\_\_\_ to \_\_\_\_ ) (\_\_\_\_ to \_\_\_\_ ) (\_\_\_\_ to \_\_\_\_ ) (\_\_\_\_ to \_\_\_\_ )

Presiding Member(s)

*Chairman Ros-Lehtinen*

Check all of the following that apply:

Open Session ☒Executive (closed) Session ☐Televised ☒Electronically Recorded (taped) ☒Stenographic Record ☒

TITLE OF HEARING:

*Implementation of the Iran Nuclear Deal*

SUBCOMMITTEE MEMBERS PRESENT:

*(See attached attendance sheet)*NON-SUBCOMMITTEE MEMBERS PRESENT: *(Mark with an \* if they are not members of full committee.)*HEARING WITNESSES: Same as meeting notice attached? Yes ☒ No ☐*(If "no", please list below and include title, agency, department, or organization.)*STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

TIME SCHEDULED TO RECONVENE \_\_\_\_\_

or

TIME ADJOURNED 4:56 p.m.
  
 Subcommittee Staff Director

**Joint Hearing Attendance****Hearing Title:** Implementation of the Iran Nuclear Deal**Date:** 1/28/14*Noncommittee Members*

<b>Member</b>	<b>Present</b>
Ros-Lehtinen, Ileana (FL)	X
Chabot, Steve (OH)	
Wilson, Joe (SC)	
Kinzinger, Adam (IL)	X
Cotton, Tom (AR)	X
Weber, Randy (TX)	X
Desantis, Ron (FL)	X
Collins, Doug (GA)	X
Meadows, Mark (NC)	
Yoho, Ted (FL)	X
Messer, Luke (IN)	X
Royce, Ed (CA)	X
Poe, Ted (TX)	X
Cook, Paul (CA)	X
Perry, Scott (PA)	X
Brooks, Mo (AL)	X

<b>Member</b>	<b>Present</b>
Deutch, Ted (FL)	X
Connolly, Gerald (VA)	X
Higgins, Brian (NY)	X
Cicilline, David (RI)	X
Grayson, Alan (FL)	
Vargas, Juan (CA)	X
Schneider, Bradley (IL)	X
Kennedy, Joseph (MA)	X
Meng, Grace (NY)	X
Frankel, Lois (FL)	X
Sherman, Brad (CA)	X
Lowenthal, Alan (CA)	X



***Questions for the Record***

*Submitted by the Honorable Luke Messer  
To the Honorable Mark D. Wallace*

**Question 1:**

**I appreciate my colleagues' concerns regarding the secrecy of the Joint Plan of Action's text. I am also deeply concerned by this lack of transparency. After the interim deal was reached in November, President Rouhani's statements about the terms of the JPA contradicted those of the Administration, signaling to the international community that Iran's intentions do not align with their commitment under the JPA. Perhaps the most fundamental disagreement is whether or not the deal recognizes Iran's right to enrichment. Iran says the deal recognizes a right to enrich, the U.S. says it does not. I am worried that the classified nature of the deal only exacerbates the inconsistent interpretations of the deal making Iran's noncompliance even more likely.**

Yes, it is indeed concerning that an agreement Iran is boasting about has not been made fully public. I believe that transparency in this situation would help hold Iran more accountable.

**Question 2:**

**Given that Iran's compliance with the JPA is crucial to our national security, wouldn't it make sense to make the JPA's text available to the public so that Iran is held accountable to the terms and that there is no ambiguity as to what those terms are?**

Indeed it would. Of course I understand that there are sensitivities during diplomatic negotiations, however in this case accountability is a very high priority. Iran is after all a bad actor with a long history of cheating and deceit when it comes to its nuclear program. And on top of that, the agreement reached in Geneva has not been widely embraced by the American people, to say the least. Having more eyes on the situation, and broadening the debate especially to include Congress, would be a welcome development.

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***Question for the Record***

*Submitted by the Honorable Luke Messer  
To Mr. Greg Jones, Senior Researcher  
Nonproliferation Policy Education Center*

**Question 1:**

**President Rouhani has insisted that Iran will not dismantle a single one of its existing centrifuges. If that is the case, what are the prospects for reaching a final agreement?**

The prospect of reaching a negotiated settlement to the problem of Iran's enrichment program is poor. Most in the West assume that a negotiated settlement will severely truncate Iran's enrichment program, leaving Iran with only a token program. The numbers that are usually mentioned are that Iran could retain only a few thousand of its current 19,000 centrifuges. I have never thought it likely that Iran would accept such a large-scale reduction and President Rouhani's statement only seems to confirm this.

In the same statement President Rouhani went on to say that Iran wants 20,000 megawatts of nuclear power and Iran wants to supply the fuel for these reactors indigenously. This implies that Iran would need the equivalent of 1 to 2 million of its current IR-1 type centrifuges. I do not take this statement at face value but it shows the position Iran plans to take during the negotiations.

Note that the Comprehensive Solution is not a "final agreement" but only a long-term interim agreement. The Joint Plan of Action already spells out what the final agreement with Iran will be. Iran will be allowed to have an enrichment program that will be unrestricted since Iran "will be treated in the same manner as that of any non-nuclear weapon state party to the NPT."

**Question 2:**

**I'm concerned that the six months to a year envisioned for negotiations on a final agreement will be extended and then extended again and the talks will just drag on. What can the U.S. and our international partners do to ensure Iran doesn't slow roll us?**

In some sense Iran has already slow rolled us. Iran has made steady progress since resuming its centrifuge enrichment effort in 2006 and can currently produce the Highly Enriched Uranium for a nuclear weapon in just six weeks. The restrictions of the Joint Plan of Action will only increase this time to eight weeks. As I indicated in my answer to Question #1, I consider the prospect of achieving a "Comprehensive Solution" with Iran that meaningfully restricts its centrifuge enrichment program to be poor.



***Question for the Record***  
*Submitted by the Honorable David Cicilline*  
*To Mr. Heinonen*

**Question 1:**

**What do you see as the major disagreements between the P5+1 and Iran in negotiating a long-term agreement before the temporary agreement expires?**

From a personal perspective, in mapping out the final contours of a possible comprehensive deal over Iran's nuclear program, the starting point of discussions should not begin with how many centrifuges or how much enriched uranium Iran should have. These are not redundant issues and likely have to be tackled as a subsequent step. But from a technical as well as tactical perspective, the onus should rather be put to Iran to first present an outline on its comprehensive energy and nuclear energy plan, which rationally explains its needs and future of its nuclear program in a transparent way. Iran has stated that its program is peaceful. Yet Iran had built a broad clandestine nuclear program in non-compliance with its safeguards agreement. Getting Iran to explain its nuclear plans is not a case for Iran to provide a plan based on wishful thinking, but to clearly convey that that is meant to be furnished within the context of deciding whether a comprehensive deal with agreed parameters mapped out for Iran's nuclear program can be achieved in line with the United States' own boundaries laid down.

If the end vision of a civilian nuclear program can be reached, a phased in plan on the needs of uranium enrichment or uranium enrichment R&D can be developed and agreed upon. It must meet whatever set of undertakings the United States is comfortable with in terms of preventing an Iranian military nuclear capability.

**Question 2:**

**What other demands should be negotiated in a permanent agreement that would move Iranians away from capacity to produce higher level uranium – so that in case Iran violates the terms, it will take longer than a few weeks for them to return to current capacity?**

In order to demonstrate that Iran's uranium enrichment needs are for peaceful uses only, Iran also has to address in a credible manner questions regarding possible military dimensions of its nuclear program, as explained in the IAEA reports of May 2008 and November 2011.

**Question 3:**

**What should our goal be as a minimum “breakout time” for Iran to reach weapons level capacity?**

With regard to IAEA inspections and addressing specifically timely detection of the “break-out time”, the agreement should have provisions: To enable detection of such actions not only at declared sites, but also encompass verification requirements that allow for detection of existence

of covert facilities and activities (e.g. requiring broader access to non-nuclear related sites that may provide leads to the existence of other facilities not declared); to put in place mechanisms that can be triggered in the light of transgressions on the comprehensive agreement if reached with Iran; and to build in enough time for the international community to act in terms of sanctions or other actions including a military option that can be credibly demonstrated.

In terms of timelines, this means instead of months, perhaps giving up to one to two years for the international community to deal with the indications of possible non-compliance.

**Question 4:**

**Many have argued that a final deal must restrict Iran from any level of enrichment; the temporary agreement limits some enrichment. What is your assessment of Iran's willingness to limit enrichment? What should the P5+1 set as the hard line in negotiations in terms of enrichment?**

Regarding levels of enrichment, there is no need in the foreseeable future for Iran having any enrichment above 5 % U-235. Thus one should factor this in as one parameter as part of an agreed settlement on what can constitute a civilian nuclear program. Another useful parameter is to benchmark enrichment capacities in Iran in terms of separative work units (SWU). For instance, to produce uranium for an annual reload of a Bushehr type of reactor - about 20 tons of low enriched uranium is needed annually - a fleet of more than 120000 IR-1 instead of current 19000 IR-1 centrifuges is needed. But there is no technically justified need (noting the 10-year delivery agreement by Russia for fuelling Bushehr) for such an enrichment capacity in Iran. Thus another way of looking at enrichment in Iran is to refocus the program to allow enrichment R&D with a full cascade or two to test and demonstrate the performance of next generation centrifuges without going to semi-industrial scale with thousands of such centrifuges (and with thousands of SWUs) and without accumulating significant stocks of enriched uranium. This, together with a robust verification regime would provide the international community with time enough to act, if Iran decides to break out from its commitments.

We should also recognize that Iran has developed over the years a substantial skilled work force and industrial infrastructure to support its nuclear program. It is essential that the long-term agreement also address the issue of human resources in a creative manner and from a non-proliferation perspective. For instance, over the longer term, avenues can be explored to channel such personnel to supporting e.g. construction of nuclear (light water) research reactors and fuel fabrication in joint ventures with current foreign technology holders.

**Question 5:**

**Mr. Jones indicated that we are already at a point of no return, and that Iran will inevitably acquire nuclear weapons capability. Do you agree? If not, why?**

In terms of technological know-how, what Iran has achieved thus far places it as a nuclear threshold state. However, by credibly addressing the military-related concerns, rolling back its uranium enrichment capacity, and dismantling some aspects of its nuclear program, the P5+1 and

Iran can create conditions where the Iranian nuclear program's needs are brought in line to meet the requirements of a civilian program but not one with nuclear military aspirations.

***Questions for the Record***  
*Submitted by the Honorable David N. Cicilline*  
*To Mr. Greg Jones, Senior Researcher*  
*Nonproliferation Policy Education Center*

**Question 1:**

**What do you see as the major disagreements between the P5+1 and Iran in negotiating a long-term agreement before the temporary agreement expires?**

(No answer given.)

**Question 2:**

**What other demands should be negotiated in a permanent agreement that would move Iranians away from capacity to produce higher level uranium – so that in case Iran violates the terms, it will take longer than a few weeks for them to return to current capacity?**

Iran should halt all uranium enrichment, dismantle all centrifuges, eliminate all centrifuge production facilities and export all stocks of enriched uranium. To allow the fueling of the IRR-1 research reactor Iran should be allowed to keep a small quantity of fabricated fresh fuel containing no more than six kilograms of 20% enriched uranium. As additional research reactor fuel was needed, additional small quantities should be fabricated outside of Iran.

**Question 3:**

**What should our goal be as a minimum “breakout time” for Iran to reach weapons level capacity?**

One year.

**Question 4:**

**Many have argued that a final deal must restrict Iran from any level of enrichment; the temporary agreement limits some enrichment. What is your assessment of Iran’s willingness to limit enrichment? What should the P5+1 set as the hard line in negotiations in terms of enrichment?**

Iran has shown that it is willing to halt its production of 20% enriched uranium. However, Iran appears to be unwilling to limit the scale of its enrichment effort. In an interview broadcast on CNN on January 26, 2014, Iranian President Rouhani said that Iran would not destroy any of its 19,000 existing centrifuges. He went on to say that Iran needs 20,000 megawatts of nuclear power. This implies that Iran would need the equivalent of one to two million of its current IR-1 type centrifuges. I do not take this statement at face value but it shows the position Iran plans to take during the negotiations. For the last specific question, see my answer to number 2.